

The NATIONAL UNDERWRITER



Protection Must Continue During This Time!

ACCIDENTS are becoming more frequent and more expensive. A review of claim files shows that they are liable to occur at any time or any place.

For the person with many activities, the need for Accident Insurance becomes that much greater.

A person should be protected against the accident hazards in every day life and this protection must continue during the times when people indulge in their favorite sport or recreation.

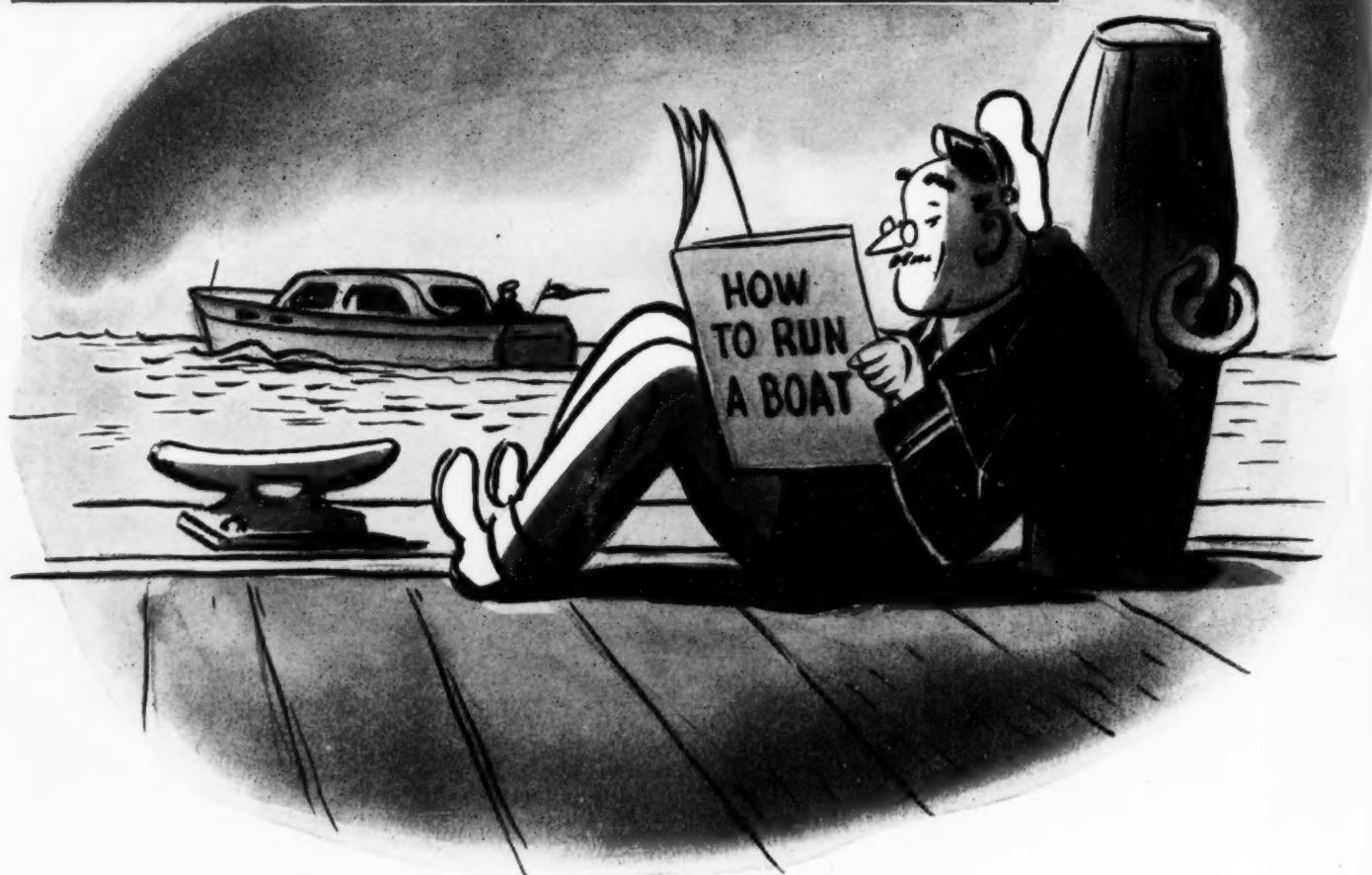
Active people need a Modern Accident policy in The Travelers!

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THE TRAVELERS INSURANCE COMPANY
Hartford, Connecticut

THURSDAY, JUNE 26, 1947

—and the Very Next Step...



No one would deny that the first step in skippering a boat is to learn the rules of navigation.

But the very next step—and this is where *you* come in—is to make sure the skipper's craft is covered adequately with a pleasure boat policy written by a dependable marine company.

You can take that step, and take it easily, by contacting the owners of pleasure boats in your community, and by placing their risks through the Marine Office of America.

It isn't difficult to sell Marine Insurance to boat owners—they need and want the coverage. They're aware of the perils of the

waterways—the threat of fire, theft, shipwreck and storm; the financial danger lurking behind injury to persons or damage to property.

Furthermore, boat owners know about the Marine Office of America through our national advertising now appearing in major yachting and boating publications.

To earn additional premiums, your only task is to get in touch with local boat owners, prepare a brief application form, and send it to the Marine Office of America. We will follow through and deliver the policy to you. Write for application forms **TODAY!**



MARINE OFFICE of AMERICA

116 JOHN STREET

NEW YORK 7, NEW YORK

WESTERN DEPARTMENT
Insurance Exchange Bldg.
Chicago 4, Illinois

PACIFIC DEPARTMENT
340 Pine Street
San Francisco 4, California

SOUTHERN DEPARTMENT
Canal Building
New Orleans 12, Louisiana

NORTHWESTERN DEPARTMENT
Colman Building
Seattle 4, Washington

SERVICE OFFICES

Baltimore, Maryland
Boston, Massachusetts
Cleveland, Ohio
Detroit, Michigan
Houston, Texas
Indianapolis, Indiana
Jacksonville, Florida
Los Angeles, California
Philadelphia, Pennsylvania
Pittsburgh, Pennsylvania
St. Louis, Missouri
Stockton, California
Syracuse, New York

ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE

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N.A.I.A. on Display at New England Agents Meeting

**Harrington Urges
Free Competition,
Fair Trade Laws**

By WILLIAM A. SCANLON

The summer meeting of the New England agents at Swampscott, Mass., sponsored by the New England Advisory Board, took a different turn from its predecessors in that there were very few formal talks and the principal feature was a symposium on the working of the National Assn. of Insurance Agents. Taking advantage of a meeting of the national executive committee, the New England agents featured 13 N.A.I.A. officers, executive



J. F. Van Vechten



G. D. Fairleigh

committeemen and staff members at the closing session, with the theme "Your National Association In Action."

President Guy T. Warfield, Baltimore, opened the session, speaking on "What Your National Association Means to You as An Individual Agent—Service and Preparedness." The position the executive committee occupies in the operation was discussed by William P. Welsh, Pasadena, vice-president, and J. F. Van Vechten, Akron, member of the executive committee talked on the position of the national board of state directors. He was followed by Frank C. Colridge, New York, secretary, on the purpose and functions of the National association staff, and treasurer George D. R. Fairleigh on staff relationship to the N.A.I.A. technical and service committee.

New Staff Members Speak

R. L. Bliss, New York, director of public relations, discussed his program and the necessity for sound actuarial service as an association function was assigned to Stuart Brown, New York, actuary. C. R. Rauter, New York, assistant educational director, had for his subject, "Raising the Standards of Association Members and Employees Through Education." The importance of the Washington office was stressed by Maurice Herndon, assistant Washington representative.

Virgil R. Lee, Chehalis, Wash., member of the executive committee, told of the N.A.I.A. legal department. The subject of Executive Committeeman Robert S. Perkins, Manchester, N. H., was "Membership Composition—Objective of the Farm and Small Town Agents and Metropolitan Agents Committees," and the financial structure of the N.A.I.A. was discussed by O. Shaw Johnson, Clarksdale, Miss., also

Syrian Crash Loss Put at \$900,000

NEW YORK—The Pan American Constellation which crashed in Syria killing 14 was insured by United States Aviation Underwriters for approximately \$800,000—hull valuation of the 4-engined aircraft. USAIG also carried passenger and crew liability for the airline.

As seven of the dead were crew members and hired generally in New York, this state's workmen's compensation laws will apply to the case and add approximately \$50,000 to the loss.

Of the dead passengers all but one was either British, American or Indian. As these nations are adherents to the Warsaw Convention, the maximum claims which may arise from their deaths are limited to \$8,300 each. The other passenger was Turkish—Turkey does not adhere to the convention—and the claim possibility is as yet unknown.

an executive committee member.

The last speaker at this session was Executive Committeeman John C. Stott, Norwich, N. Y., who talked on summarizing and coordinating the N.A.I.A. structure.

TRACES CYCLES

Stressing that business cycles also mean agency cycles, Mr. Warfield urged the agents to adjust their operations so they might more effectively serve the public and at the same time promote healthy production procedures in general insurance coverage in the industry.

"Insurance agents as small business men manifest one of the basic freedoms in our American economy—the freedom to enter or leave business at will; to start small and grow big; to expand, contract—or even to fail," Mr. Warfield said. "Such freedom to be enterprising is an aspect of the economic democracy without which our political democracy can not exist."

Must Sell Again

In tracing the history of small business as it relates to the business cycles, Mr. Warfield warned the agents that they must get back to selling and gear their agency operations to the post-war adjustment and return to normalcy.

"Our No. 1 problem is management," he said. "We must know all about our business from the selling end through the bookkeeping, cost accounting, manufacturing (the company side of the picture), advertising and all the other phases. Most business men begin their venture because they have skill or interest in one major phase—usually production or selling. They tend to under-rate or ignore the others. In these days we must analyze every phase of our business whether it is immediately attractive to us as a study, or not. We must pool our experience, broaden our knowledge by drawing on the abilities and training of others. We must seek expert guidance in the matter of cost accounting and merchandising. We must be constantly learning."

The other speakers at the business session were C. J. Schoen, Mt. Vernon, N. Y., on the bank and agent plan, and A. E. Spottke, New York, secretary National Bureau of Casualty & Surety Un-



G. T. Warfield

Resist Chicago Tax Gouge

An injunction proceeding has been filed in superior court of Cook county, Illinois, to restrain the collection of an extra 59% tax on the net premium receipts of 190 fire insurance companies in Cook county. The case is Fireman's Fund, et al vs. Louis E. Nelson, county treasurer and ex-officio county collector.

The amount of tax which the companies contend has been illegally assessed upon them is about \$270,000. This issue arises out of the so-called Butler act of Illinois which became effective Jan. 1, 1946 and had the effect of requiring personal property to be assessed at 100% of its full cash value. Right along, the net premium receipts of the fire insurance companies have been assessed at full 100% of amounts thereof. In giving effect to the Butler act, however, public authorities ignored that fact and did not make any distinction between the net premium receipts of insurance companies and the other kinds of property, values of which were debased and scaled down on the tax rolls.

The department of revenue ascertained that the aggregate assessed valuation of all property in Cook county for 1946 had been debased to 62.89% of the full cash value and that to comply with the Butler act, there should be added to the amounts of the assessments 59% in order to produce the full fair cash value.

Because the personal property of the insurance companies had already been assessed 100% of the full fair cash value, the injunction proceeding contends that the increase was unconstitutional.

Attorneys for the companies are McKinney, Folonie & Carlson.

derwriters, who discussed recent developments in casualty insurance.

Mr. Schoen said that the bank and agent plan has been highly successful where it has been pushed. Actually, agents have been given a breathing spell and more time to prepare to meet finance company competition by regulation W of the federal reserve board, which imposes restrictions on the proportion of a transaction which may



V. R. LEE

be financed and the term of the agreement. Under the present regulation and at the present price of automobiles, the average automobile finance transaction requires monthly payments of about \$75, which is more than the average person can pay. Whenever this regulation is abolished or relaxed, the number of finance transactions will jump sharply. Mr. Schoen reminded his audience that banks compete against each other and that the point to stress in explaining the plan to them is that the real com-

(CONTINUED ON PAGE 10)

Insurance Women Praised by Guests at Three-Day Session

**Helen Stombs Is Named
New President; 600
Attend Convention**

NEW OFFICERS ELECTED

President: Helen Stombs, Rock Island, Ill.

Vice-presidents: Mrs. Clarkie King, Coral Gables, Fla., Margaret L. Garrett, Wichita.

Treasurer: Mary E. Keck, Pittsburgh. Recording Secretary: "Sailor" Hodges, Tacoma.

Corresponding Secretary: Harriet Johnston, Moline, Ill.

NEW YORK—Almost 600 women from all parts of the United States, members of the National Assn. of Insurance Women, met here last week for their annual meeting. With "Patterns for Progress" as the theme, they incorporated into the program all the essentials for real progress.

In line with the key-note speech delivered by J. C. Stott of the executive committee of

Fern H. Anderson

the National Assn. of Insurance Agents, they went all-out to help create a proper impression and better the appearance of offices.

At the luncheon opening the convention, Mayor William O'Dwyer welcomed the women to New York. Viola Whaley of New York, Northern Assurance, was instrumental in securing the mayor as a speaker.

The afternoon business session featured reports by the president, officers and committees. President Fern H. Anderson, Marsh & McLennan, St. Paul, gave the report of her administration. She cited the rise in the number of local clubs, now numbering 96 with 6,160 members. Saying that the organization has outgrown its infancy, she told the members that they must look to the future and pay attention to the details that contribute to growth.

She said that the women are ambassadors of good-will for the business, both in and out of the offices, and spoke with approval of the educational courses that the women have taken, and often inaugurated in their clubs.

At dinner the women continued their educational program and heard Vera Micheles, dean of the Foreign Policy Assn. The evening program also included a show staged by the DuBarry Success School.

The business of the second day was devoted to a general discussion of constitutional amendments and the possibility of a new constitutional.

At lunch, W. E. Mallalieu, general manager of the National Board, told the group something about the activities of the Board and the women who work there. J. Dewey Dorsett, general manager of the Assn. of Casualty and Surety Executives, also addressed the luncheon gathering.

Mr. Mallalieu said that many men say they don't know how they would get

(CONTINUED ON PAGE 10)

Nat'l Union to Increase Capital to \$2 Million

Stockholders of National Union Fire, Aug. 20 will vote on a proposal to increase the authorized capital stock from \$1,100,000 to \$2 million and to reduce the par value of the shares from \$20 to \$5.

The plan is to sell 180,000 additional shares of \$5 par value stock at a price to be directed at that time.

The \$20 par value stock of National Union is selling at about \$170 and the dividend rate is \$5 a share. According to President J. M. Thomas, present indications are that the present rate of dividends can be continued, which would mean \$1.25 a share on the new stock.

Mr. Thomas points out in a message to stockholders that the purpose of the plan is to increase the capital funds, and by the reduction of the par value to broaden the market for the sale of the shares, to bring them in the price range at which the shares of many comparable companies are traded in.

Thomas' Statement

"It has been apparent for some time," he states, "that the healthy growth which your company has enjoyed for many years would sooner or later make desirable a substantial addition to its capital structure, and the unprecedented increase in its business during 1946 and its prospects for the years immediately ahead, in the judgment of the board of directors, make such addition not only advantageous, but necessary at this time."

Since its last capital change in 1932, the business of National Union has more than doubled.

Western Adjustment Makes Detroit Changes

Paul H. Monroe, resident adjuster in charge of Western Adjustment's east side Detroit office, is returning to the downtown Detroit branch July 1, as inland marine supervisor, succeeding I. S. Frigon, resigned. Mr. Monroe is a veteran inland marine adjuster having joined the organization some 10 years ago, specializing in inland marine service.

Adjuster Ray E. Blum, of the Dearborn, Mich., office, who joined the organization approximately seven years ago, will succeed Mr. Monroe as resident adjuster in charge of the east side Detroit office.

Adjuster Joseph V. Holzmann, a graduate of the Naval Academy, Annapolis, a lieutenant commander during the last war, and since March, 1946, associated with Andon Drabik, marine surveyor of the head office, has been transferred to Detroit to specialize in marine surveys and other wet marine business, as a member of Mr. Monroe's staff.

Nice Joins National Board as Assistant Counsel

Albert T. Nice has joined the National Board as assistant to General Counsel J. Raymond Berry.

Mr. Nice has been with the law firm of Curtis, Mallet-Prevost, Colt & Mosle, New York. He is a graduate of St. Johns University school of law and was a major in the air forces during the war.

T. M. Torrey Promoted

T. M. Torrey has been made an assistant manager of North America's marine department at New York. He has been in the marine department there since being transferred from the home office in 1946 where he had been since his release from the service in 1945. He has been with North America since his graduation from Harvard in 1933 except for 2½ years in war shipping administration and 1½ years in the coast guard.

I.U.B. Revises Full Reporting Clause

NEW YORK—I.U.B. has made some changes in the wording of the full reporting clause in I.U.B. form No. 1, mainly in adding the words "filed prior to the loss" after the words "last reported value."

This grew out of the Pennsylvania supreme court decision last month in Sack vs. Glens Falls that an insured could report values after a loss, thereby nullifying his previous underreporting of values.

Diplomas Are Presented

Twenty-two agents who completed a 5-weeks' casualty course in North America's school for agents, were given diplomas at commencement exercises at "Eagle Lodge", North America's recreation center. Twelve of the graduates previously had finished the fire and marine courses.

Diplomas were awarded by C. S. Roberts, vice-president of Indemnity of North America. He urged agents to earn C.P.C.U. degrees, in the same fashion as a doctor or a lawyer merits his degree.

Long Term for Lobel

NEW YORK—Julius Lobel, said by police to have master-minded the \$800,000 Mergenthaler Linotype Co. swindle, was sentenced to 20 to 40 years in prison. In imposing sentence Judge Leibowitz said he was making it flexible, as he was convinced that Lobel had at least \$500,000 of the loot hidden somewhere. The judge had warned Lobel that his sentence would be so long that he would not live to enjoy his hidden wealth.

Resume Fingerprint Check

WASHINGTON—Opening of the new fiscal year with availability of funds will enable Federal Bureau of Investigation to resume July 1 its service of checking fingerprints of truck drivers, employes of air transport and public service companies and certain other employes.

Insurance industry interest in this service, particularly in the case of truck drivers, on account of the protection afforded against loss, diversion and theft of merchandise in shipment, has been shown by the fact that insurance representatives have been here recently in connection with securing reinstatement of this service. FBI has also received many requests for reinstatement from other interests.

Before last January, the FBI checked fingerprints of such employes when submitted through a law enforcement agency. FBI dropped this service Jan. 21 due to shortage of personnel.

FBI cannot accept fingerprints direct from private employers for checking.

May Raise Limit to Five

Changing the agency limitation rule of the Chicago Board from four to five is being considered. Such a step has been proposed as a means of setting at rest the question of North America and America Fore representation in the city. Since the number of company units in these groups has been reduced by merger, they are no longer in conformity with the four agency rule.

Confirm Soule in Maine

PORTLAND — David B. Soule has been confirmed as the new insurance commissioner of Maine by the governor's executive council.

Miss Geraldine Mavon, daughter of G. A. Mavon, prominent local agent of Chicago, and Robert P. Whitney were married at St. Barnabas Church rectory in Chicago and then embarked on a plane for a wedding trip in Bermuda.

Watson Leaving Security in Wisc.

Harold C. Watson, Milwaukee, has resigned as state agent for Security of New Haven effective July 1. He will take a long-deferred vacation before announcing his future plans.

A prominent and popular figure in the Wisconsin field, where he was a frequent speaker at agency and other meetings, Mr. Watson, a native of Indiana, graduated from the law school of the University of Notre Dame in 1925 and was admitted to the Indiana bar. He went to Wisconsin with Travelers, first as a casualty man but later branching into the fire field. After a period with Globe & Rutgers in Wisconsin, Mr. Watson went to the home office of Dearborn National at Detroit, remaining there until he joined Security of New Haven.

Mr. Watson taught insurance courses at the University of Wisconsin and for several years conducted public speaking classes at Milwaukee Adult Opportunity Schools. He was an early speaker against Communism and totalitarianism and has spoken on this topic before many non-insurance groups.

Monsanto Contingent U. & O. Loss Is Not Erased

THE NATIONAL UNDERWRITER was guilty of jumping to conclusions in stating in the May 22 edition that there will be no loss under the contingent U. & O. policy covering the Springfield, Mass., plant of Monsanto Chemical Co. on account of the destruction of the Monsanto operation at Texas City.

The statement in THE NATIONAL UNDERWRITER that there would be no loss under this contingent contract which, incidentally, is for \$2 million, was based on an announcement by Vice-president Felix N. Williams of Monsanto that production of polystyrene plastics will continue undiminished at Springfield.

F. A. Ulmer, treasurer of Monsanto, states that this announcement might to the layman indicate that there would be no basis for U. & O. loss at Springfield in connection with the Texas City disaster, but to anyone familiar with insurance "the logical question should immediately have arisen as to the cost of that continued undiminished production at Springfield. How could you possibly infer that the price we pay to outside independent producers would be the same price paid to our own Texas division? Most naturally, and obviously, there will be a U. & O. loss at Springfield, especially due to the fact that independent producers can hardly be expected to sell Monsanto at cost."

Ludemann E. Wis. State Agent of North British

The North British group has appointed Willis Ludemann state agent supervising eastern Wisconsin, with headquarters at 828 North Broadway, Milwaukee. He succeeds State Agent John G. Parsons, who has resigned to become associated with a local agency.

Mr. Ludemann is a native of Wisconsin. After graduating from Lake Forest College, he joined the marine corps, attaining the rank of captain. He was on the staff of General Pickett and was associated with Col. James Roosevelt in administrative work. Since he was placed on the inactive list of the marine corps he has served as an inspector with the Wisconsin Rating Bureau.

Sheppard to Phoenix, Conn.

Wayne D. Sheppard has been named special agent for Phoenix of Hartford in eastern Michigan. Mr. Sheppard has been with Michigan Inspection Bureau for several years. He will office in Detroit.

Most of Damage Covered in \$587,000 Diesel Train Loss

Most of the estimated \$587,000 damage to two diesel locomotives of the Chicago, Indianapolis & Louisville (Monon) Railway, which collided head-on near Lafayette, Ind., June 3 is covered by insurance. The locomotives are insured under an inland marine form by Railroad Insurance Assn. They were pulling freight trains. It is not clear why the collision occurred.

Each locomotive consisted of an "A" unit, which has a cab and controls, and two "B" units, which are like the "A" units except that they have no cab or controls for separate operation. Three of the six units involved can be repaired. The others must be replaced.

The engineer and fireman of one train were killed. The conductor of the other was killed and the engineer seriously injured. In spite of the forward position of diesel engine cabs as compared with conventional steam locomotive cabs there have been some miraculous escapes of diesel engineers. These seem to be due to the elevated position of the cab and the engineer's seat.

Many More Diesels Insured

Since the end of the war the railroads have been going through an extensive dieselization process. The high cost of these diesel units is bringing many of them into the insurance market. Sometimes the insurance is carried at the request of holders of equipment trust certificates which finance the purchase of the locomotives, although insurance is not always required.

Frequently railroads insure their diesel locomotives even though there is no demand by equipment trust certificate holders. This is because of the high concentration of values in a single locomotive. Steam locomotives are ordinarily not insured. The cost of a diesel runs from about \$60,000 for a switching engine to around \$600,000 for a big multi-unit locomotive. The cost is about \$100 for each horsepower. Diesels are insured for 80%, 90% or 100% to value, the minimum being 80%.

McCaughern, Pacific Board District Official, Quits

Thomas McCaughern, who has served under every president of the Pacific Board for 41 years as district executive, has retired. Mr. McCaughern was honored by company executives and Board personnel at several luncheons and banquets during the past week. He plans to reside in Hinsdale, N. H.

Egy to General Agency

James I. Egy has been appointed special representative for Hussey & Hussey general agency, Topeka, and will assist in the supervision of its fire and casualty business in eastern Kansas. Mr. Egy for the past eight years has been in the Kansas field for National Fire. Before that he was an underwriter for Aetna Casualty in various branch offices.

Terry Va. Special Agent

Norwich Union Fire has just appointed Frank H. Terry as special agent in Virginia, under George B. Townsend, state agent. Mr. Terry is a native of Roanoke, Va., a graduate of Hampden-Sydney College, and was a captain in the army. He has had several years experience in the Fire Companies Adjustment Bureau. His headquarters will be in Petersburg.

N. D. Field Men Elect

The North Dakota Fire Underwriters Assn. at its annual meeting elected L. J. Brown, America Fore, president; Charles E. Sheedy, Aetna Fire, vice-president, and W. C. Oakes, St. Paul F. & M., secretary.

TO ASSIST

Indust. Problem Chicago

The outbreak of the dust storm was called a "dust storm" by the insurance industry. It was the first time in which the various insurance companies had to see to it that they were not liable for the damage. The insurance companies were not prepared to handle the situation. The insurance companies were not prepared to handle the situation.

Mr. Park that the combined effect of the various insurance companies was to be an increase in the cost of insurance. The insurance companies were not prepared to handle the situation. The insurance companies were not prepared to handle the situation.

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Social Problem

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TO ASSIST PARKINSON

Industry Tackles Problem of Covering Chicago Risks

The outcome of the meeting of industry representatives at Chicago that was called by Insurance Director Parkinson to consider the problem of providing fire insurance for risks in certain areas in which the rejection rate is high was the volunteering on the part of the various insurance company organizations to see what can be done to provide immediate relief and also to suggest a permanent solution.

Virtually all fire insurance companies were represented at the gathering in response to the request of Mr. Parkinson. At that time he called the attention of the group to the problem that has developed because of what appears to be an unusual number of rejection of insurance applications, apparently for reasons of geographical location.

Mr. Parkinson expressed the hope that the industry would engage in a combined effort to remedy the situation.

W.I.B. and W.U.A. Volunteer

H. A. Clark, vice-president of Firemen's, in his capacity as president of Western Insurance Bureau, expressed appreciation for the fair attitude exhibited by Mr. Parkinson, and said the W.I.B., through a committee, is prepared to cooperate in an industry study of the problem. At this point Mr. Parkinson had Mr. Clark take over as presiding officer. C. H. Smith of Hartford Fire, who is chairman of the governing committee of Western Underwriters Assn., said W.U.A. is also prepared to engage in such a study, and the final decision was to go ahead on this basis.

A. V. Gruhn, general manager of American Mutual Alliance, was invited to express his views and he made a forthright statement. He voiced the opinion the problem is by no means that of insurance for the Negro risk, and neither is it exclusively an insurance problem.

The question is, what is to be done about the blighted areas, not only in Chicago, but in all the big cities of the land. In these areas, the physical characteristics are such as to make most of the properties uninsurable either because of their own condition or because of the condition of the risks to which they are exposed. In these sections the owners take rents out but either refuse to or are unable to invest in upkeep or improvements.

Social Problems

These areas, he declared, are social problems that demand planning and action at the city and state level. Mr. Gruhn expressed doubt that there are many acceptable risks that are unable to get insurance. He said the judgment of the underwriter has to be respected. He said any system where under risks unqualified by housekeeping, moral characteristics or exposure for insurance are spread throughout the insurance market under a voluntary or compulsory plan, does violence to sound underwriting principles and could with justice be resented by those assured who spend money to keep their properties insurable, and whose housekeeping is commendable.

There is involved, he said, not only the problem of insuring buildings, but contents as well.

Mr. Gruhn said that a realistic survey of these blighted areas might serve a very good purpose in closely delineating the nature of the problem.

The committee making the survey, he said, might very well include engineers and the report should be comprehensive. Such a report, he predicted, would set at rest any idea that insurance companies are discriminating in their underwriting on a race basis and it might suggest a course of action of

English Leaves Phoenix of London Ranks After 47 Years

Munroe English, Pacific department manager for Phoenix of London group, is retiring at his own request after 47 years with the companies.

He will be succeeded by Jack Sheppard, associate manager. R. Allen Hickman, assistant manager, becomes associate manager.

Winfield K. Chetwood, Los Angeles manager, and with the group since 1918, also is retiring at his own request and is succeeded in that position by Raymond E. Needham.



Munroe English

Insurance Warriors Reune

WASHINGTON—A number of the "charter members" of the War Department's contract insurance branch, now variously located throughout the insurance industry, met in Washington for a first annual reunion dinner dance at Washington Aviation & Country Club. Present were Reese F. Hill, former colonel and first chief of the branch, and Mrs. Hill, now of Reading, Pa.; former Lt. Col. and Mrs. Al C. Thomas of Peoria; former Lt. Colonels Wm. E. Pullen and A. S. Kuenkler of Baltimore; former Major James A. Hamilton and Mrs. Hamilton; Lt. Col. and Mrs. Thomas H. King; Miss Gladys van Roekel; Gilbert A. and Mrs. Ruth M. Johnson, all of Washington and nearby Virginia, and the latter the first civilian member of the branch and the only remaining charter member still on duty there.

Borba and Harpur Change

Ernest A. Borba, who has been with Fire Assn. in San Francisco since 1934, except for army service of four years, has been appointed special agent for the companies at Seattle. He will cover northern and central Washington, northern Idaho and western Montana. Mr. Borba succeeds Ernest A. Harpur, who has gone into the agency business in Port Angeles, Wash.

Form McWilliams Team

James R. McWilliams, who until recently has been with Fidelity & Casualty at Columbus, O., has entered the local agency business at San Bernardino, Cal. He has become associated with his brother, J. Howard McWilliams, and the firm will eventually be known as McWilliams & McWilliams. J. R. McWilliams was with F.&C. at San Francisco, Fresno and Los Angeles before entering service in 1943. Since his return he has been with F.&C. at Columbus.

a civic nature that might be undertaken. Mr. Gruhn said, however, that he recognizes that there is an immediate political question involved; that the problem must be dealt with realistically and that the insurance industry should cooperate to the utmost with Mr. Parkinson.

Two years ago there was introduced in the Illinois legislature a bill for an assigned risk setup for fire insurance and in the legislative session now drawing to a close there is a bill that is even more drastic.

Complaints of inability to get insurance, it is said, are particularly numerous in the area from 12th street to 39th street and from Wentworth to the lake.

Hugh Donnan, Hartford Veteran in West, Retires

Hugh W. Donnan is retiring at this time as assistant western manager of Hartford Fire. He has been an insurance man since 1905 and has been with Hartford since 1918. He is the owner of a farm near Franklin, Ind., and about 17 miles from Indianapolis, and this will henceforth be his headquarters.

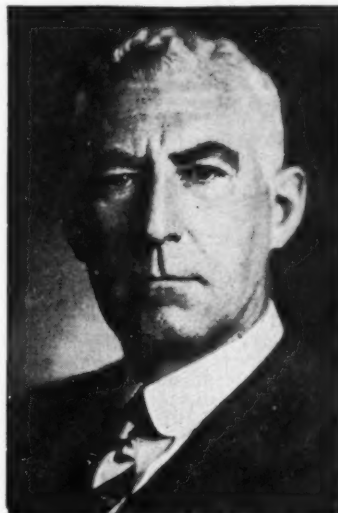
Mr. Donnan attended Purdue and University of Chicago and in 1905 became connected with Grain Dealers National Mutual Fire of Indianapolis. Thus from the outset he was in touch with mill and elevator underwriting. From 1913 to 1918 he operated a general agency at Indianapolis that covered about 12 states and was known as Insurance Bureau. In the latter year he went with Hartford Fire to be in charge of the mill and elevator department and he developed that company's mill and elevator organization.

From 1931 to 1938 he was also in charge of the sprinklered risk department, and in the latter year he was advanced to assistant manager. He has for years been one of the outstanding authorities on mill and elevator underwriting. He was chairman of the old Mill & Elevator Conference. He is also former chairman of Western Conference of Special Risk Underwriters.

Stailing New Canadian Underwriters President

TORONTO—Robert Lynch Stailing, Canadian manager of Sun, has been elected president of Canadian Underwriters Assn.

At the annual meeting at Tadoussac, Quebec, R. De Grandpre of Montreal, retiring president, said that insurance



R. L. STAILING

companies, except life, disbursed a record \$76 million in claims to Canadians in 1946.

"Let us all ponder what a waste in national wealth is represented by the destruction of property, death and injury to the equivalent of \$76 million," Mr. DeGrandpre said. "This colossal indemnity is indicative of the insurance industry, of the major part it plays in our country's economic life and of the responsibility assumed by board companies for the common good."

Travelers Cuts Work Week

HARTFORD — The Travelers companies will reduce their work week from 37½ to 35 hours in the summer months, President Jesse Randall announced. The new schedule will be from 8 a.m. to 4 p.m., with an hour for lunch.

"CONNIVERS" CONDEMNED

Agents' Stalling of Rate Increases Hit by Martineau

Deputy Superintendent W. F. Martineau of the New York department vigorously condemned agents who advise their assured to cancel and rewrite to avoid the effect of an imminent rate increase, in addressing the Queens County (New York city) Insurance Agents Assn. He said the agent is the company's representative and the insurance business's public relations depends a lot on how he conducts his business. Instead of taking an apologetic attitude about rate increases, the agent should explain why the increases are necessary if the companies are to maintain their sound financial positions.

"There is no place in this scheme for the conniver who specializes in showing the assured how to take improper advantage of the insurance company," said Mr. Martineau. He said the agent who does this discredits himself as a representative of the insurance business and lowers the public respect for the principles on which the business is conducted.

Agent's Complaint Criticized

It is common knowledge, he said, that many agents busied themselves cancelling and rewriting before the recent New York fire insurance rate revision became effective. In fact, there was some criticism of the date selected because it came at a time that absence at the state convention of local agents prevented many agents from doing as much cancelling and rewriting as they otherwise could have done.

"It seems to the department that the burden of justifying their actions ought to be on those agents who took such improper advantage and not upon the rating organization or the department to show why the same opportunity was not extended to all," he added.

Mr. Martineau warned that these activities cannot be dismissed as inevitable concomitants of the present method of doing business, since public law 15 places a new and greater obligation to justify the rates that are charged and there is a greater burden on state supervision to see that there is no circumventing of the rates which experience show to be necessary. He quoted a recent talk by President Donald Bowersock of the Boston, who said cancelling and rewriting can delay the effect of a revision by as much as three to five years. Mr. Martineau stressed the distorting effect on the statistical basis of rating. He also pointed out the inconsistency of agents who complain of loss of commissions when rates are reduced, yet who by cancelling and rewriting deprive themselves of added commissions they would earn at the higher rates.

Signs Three Mich. Acts

LANSING, MICH.—Three acts of interest to the insurance industry have been signed by Gov. Sigler. One is the fair trade practice measure originally introduced with the three all-industry bills by Sen. Hamilton, Battle Creek agent and insurance committee chairman. Another act provides for a specific four-year term for the commissioner, modifying the present provision that the commissioner shall serve at the governor's pleasure. The third new act, not directed specifically in insurance business but obviously affecting it, provides for registration and licensing of all legislative agents (lobbyists).

Expect Bill to Be Signed

Gov. Herbert of Ohio is expected to sign in a few days the Winter bill reorganizing the state fire marshal's office. It was considerably changed before final passage.

KLINKENBORG, HOUD, FOSTER ARE NEW CHIEFS

Activity of Minn. Field Men on Many Fronts Reviewed at Annual Rally

By ROY W. LANDSTROM

Minnesota field men have done an outstanding organization job during the past year. These accomplishments were excellently spotlighted in the message of President Leonard Zell, state agent Hanover, at the annual meeting of Minnesota Underwriters Assn. at Brainerd.

They have taken hold of the public relations program and organized it on a statewide basis. A plan of appointing "opinion leaders" in each community was highly successful, 764 such appointments having been made. In all, 54 civic meetings were held. And all this was done in close cooperation with Minnesota Assn. of Insurance Agents. In addition the field men had time to make four town inspections, show films, give talks, inspect 600 risks and find 1,872 criticisms.

Fire prevention came in for its share also. A movement is under way to coordinate the field men's activities with those of the state fire marshal's office in connection with President Truman's National Fire Prevention Committee.

Give Many Talks

Frank Lather, state agent St. Paul F.&M., reported the activities of the speakers' committee. Field men have given 63 talks and two radio addresses. He emphasized that this total would increase as the public relations program gets in full swing.

Mr. Zell, as chairman of the legislative committee, reported a satisfactory understanding had been reached with building and loan associations on the score of coercion of insurance.

R. O. Belford, state agent of London Assurance, read the report of the uniform forms committee.

Another activity of importance participated in by the field men was the educational program. Instructors were furnished for both St. Paul and Minneapolis insurance courses. George Maxwell, state agent Fireman's Fund, acted as instructor for St. Paul Insurance Exchange, while Paul Olinger, state agent Minneapolis F.&M., functioned with the Minneapolis schools, sponsored by the Insurance Club of that city.

Engage in Self-Education

Nor did the field men neglect their own education. During the winter months, five educational meetings were held at which speakers of national reputation were guests. This field organization continues to sponsor the question and answer booklets which are furnished to all applicants for agents licenses in the state. The association also maintains a blood type file of all members.

The letter from the committee on loss adjustment practices of W.U.A. provoked considerable discussion. The members were quick to grasp the significance of the loss situation and deplored the looseness in loss reporting that became prevalent during the war years. It is obvious that the Minnesota field men will cooperate fully.

The Northwest Bureau Field Club, which has been dormant for several years, is being revived. E. C. Erland, manager of the Twin Cities service office of Firemen's, secretary of that body, is leading this movement.

Klinkenberg New President

New officers elected by Minnesota Underwriters Assn. are:

President, Jack H. Klinkenberg, Phoenix of Hartford.

Vice-president, George D. Van Wageningen, Minneapolis general agent.

Secretary, Nick Dekker, America Fore.

Members executive committee: Robert R. Hayes, Crum & Forster; Paul

Olinger, Agricultural; Walter E. Nordell, New York Underwriters.

Northwest Bureau Field Club officers are:

President, H. W. Houd, Loyalty group.

Vice-president, T. J. Burke, Ohio Farmers.

Secretary, E. C. Erland, Loyalty group.

Officers elected by Minnesota State Fire Prevention Assn. are:

President, W. W. Foster, Aetna Fire.

Vice-presidents, R. O. Belford, London Assurance, and Glen Schodde, Home.

Secretary, H. H. Jelinek, New Hampshire.

Zell Is Complimented

Mr. Zell, as retiring president of Minnesota Underwriters Assn., was presented with an electric clock as a token of esteem for his services.

New members elected were O. B. Jacobs, assistant secretary Northwestern F.&M.; Grant Buchanan, Agricultural; H. H. Jelinek, New Hampshire; Robert Whitechurch, American; H. B. Tyler, and H. Kimm, Travelers.

The Blue Goose banquet wound up the two days' activities. Clarence H. Mitchell, Fire Underwriters Inspection Bureau, Minneapolis, most loyal gander, presided. J. Harry Lewis, St. Paul F.&M., presented the prizes for the various events.

Athletes Are Crowned

Top prize winners included: R. N. Olofson, independent adjuster, Minneapolis, low gross at golf; Harry Lucky, Aetna, blind bogey; Neil Selvig, Security, clock golf; Roy W. Carlstrom, Anchor agency, St. Paul, rifle shoot; P. A. Baumann, Glens Falls, ping pong; Frank Herick, Royal-Liverpool, shuffleboard; T. J. Marron, F. S. Rogers agency, St. Paul, darts, and Grant Buchanan, Agricultural, horseshoes.

In the fishing contest, prize for largest walleye pike went to David White of Home, 11 pounds; largest northern pike, W. W. Foster, Aetna Fire, 13 pounds; largest number of crappies, Roy W. Carlstrom, Anchor agency, St. Paul, 63.

Smith, Munson Assistant Farm Managers of Home

Dennis C. Smith and John R. Munson, executive special agents of the farm department of Home, has been promoted to assistant managers of the farm department at Chicago.

Mr. Smith entered the insurance business in 1927. Before joining Home in 1941, he was a special agent in Indiana and Kentucky, and state agent in Ohio and Michigan.

Mr. Munson started with Home in 1931. He served two years in the army in the south Pacific. He has been state agent in Indiana, becoming executive special agent in 1946.

Christensen Is Honored for War Damage Service

NEW YORK—More than 400 representatives of the companies which participated in the war damage insurance program turned out to commemorate the program and to take the opportunity to bestow on Frank A. Christensen, president of the America Fore group, a testimonial of respect and admiration for his outstanding leadership in WDC.

Representatives included large delegations from stock and mutual companies and reciprocal exchanges. Harold C. Conick, chairman of the committee on arrangements, presided as toastmaster, and presented on the group's behalf, a handsome present to Mr. Christ-

ensen.

John D. Goodloe, chairman of Reconstruction Finance Corp., and president of the War Damage Corp., was a speaker.

North America Begins Expansion in Latin America

North America has begun a program of expansion in Central and South American countries. Robert E. Turnbull, manager at Mexico City, since 1936, has been appointed manager for Latin America. Felix R. Calixtro of the Mexico City staff, has been made assistant manager for Mexico.

Mr. Turnbull has recently completed a survey of the insurance situation in all the Latin American countries, visiting the capitol of each nation. He was accompanied by Don Manuel Alonso de Florida, general manager of La Azteca of Mexico.

Mr. Turnbull was a pilot in the British army during the first war and was later vice consul of the British Legation in Mexico. In 1921 he joined the general agency of Watson Phillips & Co., Mexico City, and five years later became manager of Mexican-American Corp., general agency for North America since 1928. He was appointed manager in Mexico for North America in 1936.

Mr. Calixtro joined the Mexican-American Corp. in 1931 and went with Mr. Turnbull to Mexico City with North America five years later.

Chicago Board Outing

The annual qualifying golf round and outing of the supervising agents of the Chicago Board was conducted last week at Edgewood Valley Country Club, with 148 attending. The golf match was preceded by a luncheon and there was a dinner in the evening. Qualifiers for the championship round are: E. S. Rand, Eliel & Loeb; N. A. Ulseth, Bronson-Dennehy-Ulseth; B. N. Anderson, Anderson & Co.; W. H. Stevens, Fred S. James; A. L. Valentine, Baur, Christensen & Valentine; F. D. Pellet, Critchell-Miller; Martin Rohe, R. A. Napier & Co.; and J. W. Reedy, J. Reedy & Co.

Hi-Jacking on Increase

Hi-jacking of trucks and thefts from trucks is rapidly increasing, according to Jack Seide, president Babaco Alarm Systems, New York, who addressed the Inland Marine Club of San Francisco.

Mutual Has Open House

Grain Dealers National Mutual Fire is inviting the public to an open house celebration July 1, marking completion of the addition to the home office in Indianapolis. The company has had its headquarters there for 45 years.

Hubbard Ida. Commissioner

James Hubbard, an agent for New York Life at Lewiston, has been named Idaho commissioner to succeed Edward B. McMonigle. He has been in the business 24 years at Pullman, Wash., and Lewiston.

Dean to Retire June 30

Thomas B. Dean, veteran of 50 years in the business and since 1926 in the San Francisco branch of Union of Canton, is retiring from business June 30. Since 1933 he has been manager of the San Francisco office. He had been in the insurance business in England, on the European continent and in India before being transferred to San Francisco.

His successor is J. H. M. Andrew, who has been with Union in the far east for about 20 years and four years in India. Mr. Andrew has arrived in San Francisco after enjoying a furlough in England.

Aetna Fire New Financing Plans Given

Aetna Fire has filed with SEC a registration statement covering 250,000 shares of stock which the company proposes to offer to present stockholders.

According to the prospectus, stockholders of record at the close of business June 18, will be entitled to subscribe for the additional 250,000 shares at the rate of one new share for each three shares held. The subscription price and date of expiration of rights will be filed later by amendment to the registration statement. The company's offering to stockholders will be underwritten by an investment banking group headed by Dillon, Read & Co. and W. C. Langley & Co.

The net proceeds of the sale will be added initially to the company's general funds, \$10 per share or \$2½ million to be allocated to the capital account and the balance to surplus. After completion of the proposed financing the company's outstanding capitalization will consist of 1 million shares of capital stock of \$10 par value. Dividends on the capital stock from time to time outstanding have been paid continuously since 1873, including payments at the rate of \$1.80 per share annually since January, 1940.

The consolidated income statement shows total net premiums written amounting to \$79,040,000 for 1946 and \$32,094,000 for the four months ended April 30, 1947. Capital, surplus and voluntary reserves on a consolidated basis aggregated \$25,820,099 at April 30, 1947, before giving effect to the financing. As of that date, U. S. government obligations and cash aggregated \$81,212,285 out of a \$107,506,206 total of security investments and cash.

Mobile Junior Chamber Wins Prevention Cup

LONG BEACH, CAL. — The perpetual cup contributed by New York Underwriters for the best work done in fire prevention in the year was awarded to the Mobile, Ala., junior chamber at the annual convention here of the U. S. Chamber of Commerce.

Executive Special Agent Paul Harrington of the Pacific department of the company presented the cup to the Mobile chamber delegates, headed by Adrian K. Roberts, general chairman fire prevention committee.

N. E. Mutuals' Assn. Elects

Carl G. Gesen, vice-president Manufacturers & Merchants Mutual, Concord, N. H., was reelected president of the Mutual Fire Insurance Assn. of New England at the annual meeting in Boston. Other officers elected were First vice-president, C. E. Hogan, secretary Middlesex Mutual; second vice-president, H. K. Bartlett, president Traders & Mechanics; secretary-treasurer, E. D. Sirois. M. M. Rowe, secretary Worcester Mutual, was elected to the executive committee to succeed W. A. Robbins, secretary Abington Mutual.

Rippetoe in Kan. Field

John K. Rippetoe has been appointed special agent for the National Fire in Kansas.

Mr. Rippetoe joined National in 1944 after army service. He was connected with the Forest City service office at Rockford, Ill., and then became superintendent of underwriting at Topeka.

Mr. Rippetoe will travel the north-eastern territory previously handled by former Special Agent Egy. He will continue to make his headquarters in the New England building, Topeka.

Marshall Named at Wichita

Phoenix of Hartford has appointed J. Max Marshall special agent to be associated with George L. Hampton, Jr., with offices in Wichita.



Although Minnesota in the Indian tongue means "cloudy waters," she has a fair-weather record of progress. Travelers are drawn to her 11,000 tree-fringed lakes, really sky-blue, which gave her the title "Land of Lakes"; enormous outputs of dairying and grain products brought another title, "Bread and Butter State". Since the fur traders Groseilliers and Radisson arrived in 1660, the Gopher State has received settlers from all countries to develop her enviable resources: the Mesabi iron range, Vermilion range of Bessemer ore, Cuyuna manganese, famous red pipestone, granite, peat marshes, lumber, meat-packing, grains, cattle, water power. The city of Duluth on Lake Superior is proud of its harbor . . . one of the largest in the world, while the twin cities of Minneapolis (world's greatest flour market) and St. Paul still thrive on friendly competition; wild rice is still gathered in primitive fashion by the Chippewas. The Mississippi begins here as a wadable stream; also born here were Rochester's Mayo Clinic, the steam shovel, Sinclair Lewis, Charles Lindbergh, the Paul Bunyan lumber-camp stories. Outstanding insurance records could originate here, too.



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UNITED STATES FIRE INSURANCE CO. Organized 1824
THE NORTH RIVER INSURANCE CO. Organized 1822
WESTCHESTER FIRE INSURANCE CO. Organized 1837
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RICHMOND INSURANCE CO. Organized 1836
WESTERN ASSURANCE CO., U. S. Branch Incorporated 1851
BRITISH AMERICA ASSURANCE CO., U. S. Branch . Incorporated 1833
SOUTHERN FIRE INSURANCE CO., Durham, N. C. Incorporated 1923

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Huge Los Angeles Harbor Loss

LOS ANGELES—L. A. harbor commission carried a total of \$19,970,000 insurance on city harbor property involved in disaster of June 22. According to newspaper reports the loss will amount to \$10 million. The cover had been increased within the past few weeks from a total of \$11 million. The insurance is carried on a repair and replacement form, with a depreciation endorsement, the endorsement having become effective June 15.

The harbor commission places its insurance under an agreement with Los Angeles Assn. with all agents being included in the program, as well as the members of San Pedro Insurance Agents Assn. It is understood that approximately 65% of the total goes to companies represented by association agents; 20% to San Pedro, and 15% to non-board and non-affiliated agents.

The association does all the detail work, all the bookkeeping and attends to all claims and other matters in regard to the line.

Hearst J. Ross is chairman of the harbor insurance committee.

Mills Succeeds McLaughlin in Neb. for North British

J. R. McLaughlin is retiring as Nebraska state agent of North British. All of his service has been in Nebraska where he started as special agent in 1918.

Charles M. Mills succeeds him. He has been with North British since 1941. He will continue headquarters at Omaha. Mr. Mills entered insurance in a local agency and spent several years with Western Adjustment.

North British has appointed Arthur C. Triemer special agent, to be associated with State Agent Eugene W. Brown with headquarters in the Maritime building, New Orleans. For two years he has been with Louisiana Rating Bureau.

Reinsurance Doors Closed

Several of the large companies that have provided the largest market for facultative reinsurance, have now closed their doors to everything except agency reinsurance. This is a hard blow to a good many insurers that have had regular dealings with these markets and have counted upon them as regular facilities.

N.A.I.A. Leaders Hear Fla. Woes

The National Assn. of Insurance Agents executive committee issued a warning at its two-day meeting at Swampscott that the shortage of underwriting capacity is causing serious concern in many sections.

Protection for the post-war building program is threatened, according to a statement by William P. Welsh, Pasadena, vice-president of N.A.I.A., who presided as chairman of the executive committee.

The Florida delegation declared immediate relief is needed in respect of windstorm insurance. It is reported the Floridians have proposed a federal reinsurance scheme.

Study was also given to automobile rate increases and Washington developments affecting insurance.

Paul Carson New Head of Indiana Blue Goose

More than 100 members of the Indiana Blue Goose assembled at Broadmoor Country Club Monday for their annual outing and election of officers.

Irving Williams, in reporting as most loyal gander, said membership stands at 318.

Low gross in golf went to W. Knowlton, Pioneer Equitable, with a 77. H. W. Montgomery, W. P. Ray & Co., was awarded low net. George Mercier, Hanover, won the hole in one tourney, coming 2 feet 1½ inches of the pin. Blind par was won by Chas. Brozier, Pioneer Equitable.

New officers elected are: Paul Carson, America Fore, most loyal gander; Walter Byrne, supervisor; James Gibson, American States, guardian; Walter Dithman, custodian; J. F. Halladay, Western Adjustment, keeper; Harvey B. Skelton, wielder.

Alvin Bulau, Home, was awarded his 25-year membership pin.

Cites Insurance Glut

The "Wall Street Journal" Tuesday of this week, had a front page article captioned "Insurance Flood: Fire, Casualty Firms Choosy; Demand Soars, Cost of Protection Rises. Some Companies Seek New Capital as Sales Grow; Bad Risks Avoided. Brokers and Agents Grumble."

This is a well stated analysis of the current glut of the insurance market that was written by Harry T. Rohs.

Mr. Rohs states that the burden is falling mainly on agents and brokers, that so far at least, there is little complaint from the public of inability to get insurance. The New York insurance department states that it has had no complaints of absolute inability to get insurance on legitimate risks.

Ill. Senate Wrangles

The Illinois senate, meeting as a committee of the whole, devoted three hours Tuesday to the rating legislation.

W. A. Osgood, Chicago, manager of Indemnity of North America, and a spokesman for Illinois Bankers Assn., advocated liberalizing amendments and T. C. McConnell, attorney for Insurance Brokers Assn. of Illinois, denounced the whole thing.

Speaking for the bills were Chase Smith, Lumbermen's Mutual Casualty; W. W. Hamilton, Chicago Board, and Henry Moser, Allstate.

Considerable wrangling occurred. The bills are now on second reading in the senate.

\$750,000 Loss at Peterson, Ia.

Fire Monday destroyed the Northwestern Light & Power Co. generating plant at Peterson, Ia., with damage estimated at \$750,000. Insurance was not disclosed.

CHICAGO

HAINES & CO. IS STARTED

W. N. Haines and P. J. Driscoll, independent adjusters in Chicago, established a partnership to operate as W. N. Haines & Co. with offices at 4707 North Broadway.

Mr. Haines started in the insurance business in 1919. He was for 20 years state agent for Scottish Union, Northwestern National and Twin City. Several years ago he went into the independent adjusting business.

Mr. Driscoll started as an adjuster in 1916. For about three years, until this February, he was a staff adjuster for Whitney & Miller, independent adjusters of Chicago.

The firm will handle fire, automobile, inland marine and burglary loss adjustments.

KEMPER MEN'S CLUB ELECTS

The Kemper Insurance Men's Club has elected Arthur R. Weed as president, succeeding Edward H. Zellar. Mr. Weed is head of the production coordination department of the Kemper group.

Other officers elected at the dinner meeting at the Edgewater Beach hotel are G. V. Fuller, 1st vice-president; D. B. Barker, 2nd vice-president; R. U. Kenost, treasurer, and G. C. Brock, secretary.

NEW ADVISORY FIRM

The firm of Belt & Ricker has been organized at Chicago and will open its doors at 330 South Wells street, July 1. They will serve as advisers, consultants, managers and engineers for assured in all lines. The principals are Tower Belt and G. N. Ricker.

Mr. Belt for the past four years has been with Policyholders Union of Chicago. Prior to that he was with Indiana Lumbermens Mutual a number of years. He started in business in 1918 at Marion, Ky. He was with Kentucky Actuarial Bureau for some time, and was with a local agency at Evansville, Ind.

Mr. Ricker for the past five years has been district manager at Chicago for Boston Manufacturers Mutual and Arkwright Mutual of the factory mutual organization. Prior to that he was in the factory mutual inspection department at Boston and earlier was connected with Liberty Mutual for about a year. He attended University of Colorado and then went with Stone, Webster & Co. at Boston. He was a lieutenant commander in the navy in the last war.

THREE MEN MOVE OFFICE

Emil T. Anderson, independent adjuster; Louis J. Meyers, special representative of H. Dalmar & Co., and John Gardner, broker, formerly for some years located in 1830 Insurance Exchange, Chicago, have moved to a new office in 652.

CLAIMS ATTORNEY AND MANAGER

This man has an enviable record for handling claims, reducing costs and handling law suits in court. He can do an outstanding job for a company who needs an efficient man to handle claims in the Midwest or nationally.

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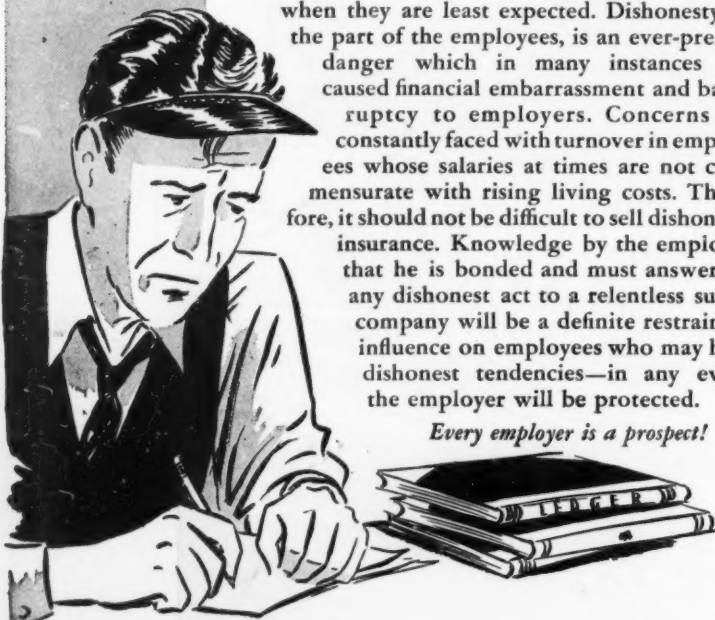
OPPORTUNITY

Unlimited...

DISHONESTY INSURANCE

NEVER has there been a time in history when dishonesty insurance, and for adequate amounts, is so urgently needed as it is today. Reliable sources estimate annual dishonesty losses in excess of \$200,000,000. These losses occur where and when they are least expected. Dishonesty on the part of the employees, is an ever-present danger which in many instances has caused financial embarrassment and bankruptcy to employers. Concerns are constantly faced with turnover in employees whose salaries at times are not commensurate with rising living costs. Therefore, it should not be difficult to sell dishonesty insurance. Knowledge by the employee that he is bonded and must answer for any dishonest act to a relentless surety company will be a definite restraining influence on employees who may have dishonest tendencies—in any event, the employer will be protected.

Every employer is a prospect!



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PARABLE OF THE GOLD DOME



Amaturus was speaking of landmarks. "Have you heard of the Tomb of Abbas II? It was crowned with a dome of gold—a landmark for all to see.

"One night," continued Amaturus, "when a descendant of Abbas lost his way in the moun-

tains, he pushed ahead to a summit, where he fell, exhausted. He awoke at dawn to see the first rays of the morning sun touching the famous gold dome. And although it was far off, he felt safe. He had recognized a landmark which now was a symbol of security."

When fire or hurricane sweeps all away,
a good company's name on your insurance
policy becomes *your* symbol of security.

—D. S. Butler

The National Fire Group

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MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

POINTERS FOR LOCAL AGENTS

Need "Change of Pace," A. & H. Sales Plans Given at Boston

The advantages of a "change-of-pace" in selling accident and health insurance, as well as in the various fields of sport, were presented by H. H. Nunamaker, Columbian National Life, Cleveland, president of the local association there, in the sales congress at the annual meeting of the National Assn. of Accident & Health Underwriters in Boston.

He said one of the reasons why baseball has become so popular is the fact that baseball pitchers have developed what is called a "change-of-pace." A "change-of-pace" also is effective in football, boxing, basketball, hockey and other sports.

In applying this to accident and

health insurance, he said must agents always use the same sales presentation. They always make the same pitch.

"Why should a doctor and a truck driver be interested in the same presentation?" he asked. "Why would a busy banker be interested in the same story that a factory foreman would understand? Why approach a farmer and a business executive in the same manner? Why expect a lawyer and a laborer to be on common ground in discussing disability insurance?"

"Like the baseball pitcher who studies the batters in his league, our agents must study the various types of plans and then develop sales presentations to meet

any requirement."

He mentioned especially three times when a "change-of-pace" pitch may be very valuable. First is the case of the man who admits that disability insurance is a good thing, but is going to wait a while before he takes any action; second, the prospect who doubts that disability insurance is of value to anyone, and has never known of anyone who ever collected from a policy; third, the prospect who is ready to sign an application but wants only a small policy—a sort of token agreement.

To show what happens when a prospect postpones final action, he told of a case from his own files where a young man of 17 had made application for a policy but decided to wait a few days before paying the premium. During this period the boy, while studying in the evening, held in his hand a piece of razor blade. He yawned and simultaneously the blade broke and a piece about the size of a fingernail popped into his mouth, landing far back in the throat. It was impossible to locate it but eventually x-rays showed it had passed on through the stomach. It went through the body without doing any damage, but his father's pocketbook was hit a healthy wallop with total expenses for hospital, doctors, x-rays, etc., of \$137.50.

Man Who Broke Hip

For the second type, he cited another true story of a man who stumbled and fell while hurrying to a train, resulting in a broken hip. He was in the hospital 30 days, was away from his work, totally disabled, for six weeks and partially disabled for another 15 weeks, even at that making a remarkable recovery. He had a policy, neither large nor small, which paid him \$1,081.

For the "token coverage" case, he used another true story of a housewife who fell down a stairway while visiting her mother in another city and suffered a broken neck. She spent 80 days in hospitals, had the services of nine doctors, full time nurses for many weeks, two serious operations and later, during a long period of convalescence had to wear a heavy metal brace. He showed a full sheet of figures covering the expenses in that case over a period of 11 months, totaling \$2,903.79.

Mr. Nunamaker then revealed that the three accidents all were in his own family and occurred within a year. He was the man with the broken hip and the other two were his wife and son.

Wholly aside from the financial angle, Mr. Nunamaker emphasized the "freedom from worry" induced by the carrying of proper coverage and said it was the only thing that helped him to be a good patient in the hospital. It was even more notable in his wife's case. When she was in a very critical condition and greatly discouraged about the expense angle, he told her that he had been carrying a policy on her for many years, and that the insurance company would take care of the bills. Very shortly after that the doctors reported a noticeable "change for the better," in which Mr. Nunamaker believes her relief from worry was a major factor.

Carl A. Ernst, North American Life & Casualty, Milwaukee, chairman of the Leading Producers Round Table, said that instead of giving so much attention to "qualifying the prospect," a salesman should remember that the prospect qualifies him in the first interview or call.

In listing the things which he, as a prospect, would expect of himself as an insurance salesman, he included knowing the prospect, or at least knowing something about him, such as his family and business status; enough knowledge of the fundamentals of what he is sell-

ing so that the prospect can have confidence in him, and the ability to explain the details of the contract as they apply to the particular prospect, and knowledge of what his competitor has, but not with the intention of knocking it; giving evidence of honesty and sincerity ("If I suspicion your motive is purely selfish, look out"); giving a choice of contracts, but not between too many policies, because that will be confusing; answering objections intelligently.



O. J. Breidenbaugh



W. G. Gastil

In referring to death, he objects to the expression, "passing on." He declared that people in Milwaukee die, "and as a result we refer to it as death, and don't endeavor to dress it up, because people do die. We don't believe in backing up the hearse to the door, but we do let them 'smell the flowers.'"

However, in explaining the benefits of the contract, he urged stressing the bright side of life. "When your insured is at home or in the hospital, sick or hurt, let's tell him about somebody who

(CONTINUED ON PAGE 15)

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Highlights

IN INSURANCE HISTORY



EXCLUSIVE MEMBERSHIP

In the early 1800's membership in an American Fire Society was based on social importance rather than fire-fighting ability. Rival societies not only tried to surpass each other with beautifully decorated engines and expensive uniforms, but in superiority of big-name membership. There were several competitive societies in Boston, and other citizens thought they indulged in too frequent "inspection parties". These gay affairs were held supposedly for the purpose of inspecting each member's equipment, which consisted of: 2 leather buckets, a canvas bag for saving valuables, and a bed key.

While the National Union and Birmingham Fire Insurance Companies see the importance of an organization "putting its best foot forward" they hold the old American conviction that any organization's worth is measured by its performances.

**National Union
and Birmingham**

FIRE INSURANCE COMPANIES
PITTSBURGH PENNSYLVANIA

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Mutual Claim Men Attack Auto Problems in Grass Roots Style at Chicago

Heavy and uninhibited audience participation in the forums, which made up the bulk of the claims meeting at Chicago of the Automotive and Casualty Section of National Association of Mutual Insurance Companies, gave it the grass-roots flavor which L. M. Dunathan, secretary of Shelby Mutual Casualty and section chairman, called for in his opening remarks.

Walter Dressel, associate counsel and claim supervisor of Motorists Mutual and former Ohio commissioner, predicted that the commissioners at Miami mid-year meeting may be expected to take action against knock for knock agreements between insurers. Even though it was not on the formal casualty agenda at Atlantic City, the question of these agreements came up, he said. He termed them unfair to the public and productive of unnatural loss ratios.

From the point of public relations, the adjuster is the most important man in an insurance company, Mr. Dressel said. By far the greatest number of complaints which came into the Ohio department during his tenure resulted from bad adjusting. He called for more courtesy and quicker attention to claims on the part of companies and their adjusters. Bad adjusting increases the possibility of federal entrance into the auto insurance business.

Responsibility Laws Backfire

In the panel on liability in general, Fletcher B. Coleman, State Farm Mutual Automobile, said that the very financial responsibility laws which had the backing of most companies have brought a number of poor risks on the books, because agents have become mere order takers and have forgotten their underwriting function. He said that policyholders' children returned from the service are responsible for some of the high loss costs as are defective automobiles, increased drunkenness, and lack of highway engineering during the war. Important in raising the loss cost he termed the lack of agency training which had to be neglected during the war when companies were undermanned. He said the problem now is to reinstall team spirit and to give real training and guidance to salesmen.

Aid to Underwriters

In outlining some of the ways in which claim costs might be lowered, Mr. Coleman said that the closest cooperation is necessary between claim and underwriting departments. The minute a claim man notices a high loss record, he should forward his knowledge to the underwriting department for possible cancellation of the business. Along the same line Mr. Coleman advocated close agency surveys and underwriting of agents. He said that there are accident-prone agents as there are accident-prone policyholders and these must be weeded out. He termed the old theory valid that an agent writes business among people who are like he is.

He mentioned holding down claim costs by placing restrictions on aged cars and applicants. He said a number of companies now write fire, theft, and wind only on older cars, steering away from comprehensive coverage because of the high glass claims on the older vehicles.

In the ensuing discussions it developed that most companies represented have found business under assigned risk plans profitable. There were several who maintained that only by personal investigation by a company man operating in a comparatively small territory could claims be kept down.

Mr. Dunathan said that all automobile companies should be behind installation of state mechanical inspection of the kind now required in Pennsylvania. Experience in Pennsylvania has been shown to be no worse on older cars than on new ones, presumably because of

this requirement. Several commented that on the matter of refusing to write comprehensive on older cars, they would far rather take a glass loss than incur the ill will and lose the business of the policyholder whose comprehensive coverage has been cut off. It was brought out that older car owners should not be

penalized. They would buy new cars if they could get them.

Warren B. King, Minneapolis lawyer, said claim managers should make sure their adjusters understand that their job is to make an investigation and not to determine liability. The adjuster should be guided by only one motive, to get facts. If he makes up his mind at the outset of the investigation as to liability he is influenced by that opinion and ceases to be a gatherer of facts, spending his time instead substantiating his own opinion.

In preparing written statements to the defense trial attorney, Mr. King said it should be remembered that the statements are going to be around the jury room for a long time; consequently, there should be nothing damaging to the case in them.

William C. Searle, secretary and general counsel of Auto Owners, Lansing, cited a number of cases to substantiate his opinion that there could be no subrogation of medical payments coverage from a legal viewpoint. On the practical side, the coverage is profitable and

An advertisement similar to this appeared in SATURDAY EVENING POST, May 24



Patrick Henry delivering his famous "If this be treason..." speech before the Virginia Assembly in May, 1765, as painted by Chappel

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can stand on its own feet without the help of subrogation rights, he said. It is always written by companies writing bodily injury and property damage and therefore the companies who attempt to subrogate these cases will in turn have cases subrogated against them.

The purpose of passenger accident coverage was to satisfy passengers riding in the insured automobile and to discourage litigation. The experience of many companies is that where injured parties are compensated for their actual expenses, liability claims are not enforced unless the injuries are of a serious nature.

If these claims were subrogated, Mr. Searl said, it is quite possible that some attorneys might bring suit for payment for pain and suffering and other damages not covered by passenger accidents. If so, the companies as a whole may pay out more than they will ever recover.

Ernest H. Pett, claims counsel, Farmers Mutual Automobile, said that as a result of the new federal tort claim act passed by Congress, plaintiffs now have a new solvent defendant to sue, the United States Government. The defendant has a new person to interplead as a joint tortfeasor and so reduce or eliminate liability. The government likewise has an opportunity to interplead other defendants and so likewise

either reduce or eliminate its liability.

Mr. Pett said that it is possible the government may ultimately decide to protect itself against tort claims through insurance instead of through appropriations to cover judgments against it. If so, there will be a new buyer in the market.

Employers' Fire Establishes Cook County Department

Employers' Fire has established a Cook county department with H. L. Blaseck in charge. Mr. Blaseck has been with the company since 1937 when he became state agent for Missouri and Kansas. He entered the analysis department and recently has been office manager of the Illinois department for the group. He entered the business 20 years ago with Missouri Audit Bureau. The new office is at 1625 Insurance Exchange building.

De Gruchy Succeeds Gilman

H. W. Gilman, senior partner of Kimball, Gilman & Co. of Boston, is retiring. P. A. de Gruchy will succeed him as manager and will be associated with W. R. J. Smith and S. O. MacMullen as a partner. He has been assistant manager since 1942.

N.A.I.A. Leaders at N. E. Rally

(CONTINUED FROM PAGE 1)

petitor is the out of town finance company.

Mr. Warfield and Commissioner C. F. J. Harrington of Massachusetts spoke at the get-together dinner previous to the meeting. Warning that the zero hour set by Congress is approaching. Mr. Harrington said that several states have not met the responsibility to establish effective supervision and that he does not think Congress will consider non-existent or inadequate administration of laws "regulation" within the meaning of public law 15.

Commissioner Harrington made a strong plea for rate laws and administration which will encourage competition. He expressed "grave doubt concerning the wisdom of the provision which requires as a matter of law that members and subscribers belonging to rating bureaus shall observe the rates filed on their behalf. The question assumes greater significance when we consider the operating methods of most bureaus, wherein a minority of the membership actually participate in the calculation of rates and the determination of rules and policy coverages.

"I do not mean by this that bureau members and subscribers should not be permitted to agree to observe rates filed on their behalf, if adequate opportunity is afforded for reasonable deviation from such filings under proper supervision. It has been well said that the degree of supervision in administering these laws will be in direct proportion to the competition which prevails in a business. Only time will tell whether the demand on the part of the insurance business for an O.P.A. at the state level is a wise choice."

Urges Fair Trade Law

Commissioner Harrington referred to the fair trade practices bill he has sponsored in Massachusetts and urged that it be passed without amendment. "If it is passed as recommended by us," he said, "I believe it will afford an opportunity for the insurance department to occupy the field and thereby assume the duties otherwise entrusted to the federal trade commission. If the amendments which have been offered by various branches of the industry are accepted by the legislature, I seriously doubt that we shall have accepted the invitation of congress to maintain state supervision of this field."

Mr. Warfield declared that the N.A.I.A. agreed that state fair trade practices acts were fully as important, if not more important, to the agents than the rating laws and asserted that the association was in favor of them.

Nine members of the Tennessee fire marshal's staff from three divisions of the state spent a week in Nashville becoming familiar with rules and regulations embodied in new legislation enacted by the 1947 legislature, with Commissioner McCormack, who also is the marshal, as instructor.

Insurance Women Praised at Session

(CONTINUED FROM PAGE 1)

along without women in their offices. Mr. Dorsett said that it is good for the men and good for the business to have women in insurance.

He noted that insurance is at a critical point. The business must know where it wants to go and make plans for getting there. He predicted the possibility of a drastic shake-up where business would be judged not for its ability to make money, but for its ability to help most effectively in carrying on the work of the world. Insurance and other businesses that have a real place in national life will be left to work out their own solutions, he predicted.

See High Class Fashions

After luncheon, the women looked to their wardrobes and studied with interest a fashion show presented by Macy's New York department store.

Lisa Sergio, radio news commentator and lecturer, spoke on the last day. She told of conditions in Europe as she knows them through experience and personal contact.

The election was held the last day. Helen Stombs, Rock Island, Ill., was elected president. She is with the Charles J. Montgomery agency. With the other officers, she was installed in office by B. M. Culver, chairman of America Fore group.

Miss Stombs has been active in organizing insurance women's groups in Illinois. She helped to organize groups in Rock Island, Moline, Decatur, Springfield and Rockford and for the past two years has served as treasurer of the National Assn. of Insurance Women.

One of the sidelights of the convention was the presence of Mrs. Helen M. Tierney, of North America. She is from Toronto, Canada, and hopes to be able to institute an organization of insurance women there. Mrs. Tierney does public relations work with women in insurance agencies.

The 1948 convention will be held at Portland, Ore.

Watt, M.&M. Veteran, Retires

Howard M. Watt is retiring from business activity after 45 years in the service of Marsh & McLennan at Chicago. He was feted at a farewell dinner, attended by 80 associates and friends from company ranks. He was presented with a leather-bound book, signed by hundreds of friends. For the past 25 years he has been identified with the fire underwriting department, handling mainly brokerage business. He started at the age of 22 as Harry W. Marsh's personal clerk when the firm was Marsh, Ullmann & Co.

Okla. Pond Meets June 30

The annual meeting of Oklahoma Blue Goose will be held June 30 at Oklahoma City, and officers will be elected.



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Here are the principal causes of fires:



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NEWS OF FIELD MEN

Gorder, Conour at Helm of Ill. Fire Underwriters Assn.

By JOHN BURRIDGE

WAWASEE, IND. — The Illinois Fire Underwriters Assn. at its annual meeting here last week elected Frederick A. Gorder, state agent for Phoenix of Connecticut, the new president to succeed Ross J. Harmon, Springfield, associate state agent Home. Mr. Gorder



R. J. Harmon

has been vice-president, and moved up the line according to tradition.

Eugene F. Conour, Springfield, state agent for North British, is the new vice-president, and undoubtedly will succeed Mr. Gorder in 1948.

Attendance was less than expected. There were about 70 members registered and 20 guests.

Bad weather Tuesday is thought to have scared off some of the fieldmen.

Mrs. Ruth L. Hertz was reelected secretary-treasurer. Four new members were named to the executive committee, they being: Harley M. Smith, America Fore; X. R. Royster, Citizens; Helmer L. Johnson, Great American, and William H. Jennings, Kansas City F. & M. Mr. Johnson did not attend the meeting; he is laid up with a back ailment and a letter of greetings from him was read by President Harmon.

McMullen Is Only Speaker

Horace McMullen, chief special agent for the National Board at Chicago, was the only speaker. He discussed the work of the arson division of the National Board at the first session. On the business side, the association adopted revised constitution and by-laws, a revised agency balance rule, and reviewed the report of the committee on cooperation in loss adjustment practices of the Western Underwriters Assn. The incoming administration was asked to take up the matter of bringing up-to-date the abstract of schedule in Illinois.

Mr. McMullen opened the meeting Wednesday. He predicted another wave of insurance fires comparable to that of the 1930's as merchants find themselves loaded with unsaleable inventories, and owners of cheaply constructed homes discover their insurance policy is the only way to get back their investment.

An increase in insurance fires has been noted over the past two or three months, he declared, saying that in Kansas and Kentucky numerous arrests have already been made.

Describes Arsonists

There are four classes of arson, he related. (1) fires for revenge—cases in which fire is used as a lethal weapon. Investigators have little trouble catching perpetrators of such fires, because they precede their actions with threats, and evidence is easy to get.

(2) Fires used to cover another crime. These occur often in grain elevators, stores and other mercantile establishments where an employee uses a fire to cover embezzlements, or even murder.

(3) Fires set by pyromaniacs. In the last six years these have been the most frequent. Mr. McMullen remarked that pyromaniacs, although appearing normal, are generally sexually perverted. The National Board has contributed \$25,000 for a medical study of pyromaniacs and a book on the subject is now almost completed. (4) Insurance fires.

Mr. McMullen gave a vivid example of each type of arsonist and pointed out

that often their crimes would be undetected without the cooperation of adjusters and firemen with the Board.

Retiring President Harmon in his report urged more competition for executive offices. He asked members who had previously served on the executive committee to make themselves available again.

Mr. Harmon reported membership stands at 157, and there are 61 honorary members. There are no agencies on probation and conditions are excellent in the state. His report was reviewed by a committee headed by Frederick D. Payne, Springfield, Phoenix of England.

A. R. Miller, America Fore, immediate past president, presented Mr. Harmon with an engraved ring as he stepped down from office.

Report of the forms committee was delivered by Mr. Conour, and James P. Jana, Hanover, read the revised balance rule.

Herbert A. Elkin, Springfield, Century, secretary of the Illinois Fire Prevention Assn., announced that that association will have an exhibit at the Illinois state fair to be directed at home-

owners. The association will have a large tent on the midway and it will be the main sideshow exhibit. It will include demonstrations and members of the association will be at each platform to explain fire hazards.

Entertainment consisted chiefly of golf and cards. None of the members tested the swimming facilities. Low gross score in the golf match was taken by John M. Kidd, assistant to U. S. manager of Norwich Union. Mr. Kidd was a guest of the association and was one of the most popular men at the meeting. He is currently touring the middlewest, and the week before attended the Indiana Fire Underwriters meeting at Wawasee.

J. Edwin Young, Peoria, Agricultural, had low net for the golf match, and X. R. Royster, was second low. Second low gross was taken by L. R. Swanson, Aetna. William Nolan, Chicago office of Hartford Fire, and a past president of the association, took the honors at bridge.

Fieldhouse Back to Home

C. E. Fieldhouse, Louisville, former special agent for Home, who left 15 months ago to join the Vaughan agency, Louisville, as engineer and producer, has returned to Home as special agent.

Wis., Ill. Field Men, Blue Goose Meet at Genoa City

GENOA CITY, WIS.—Wisconsin field men held their annual meetings and joint meeting at Nippersink Lodge with large attendance. About 35 women took part in bridge and other entertainment, with Mrs. A. H. Larsen, president Blue Goose auxiliary, as chairman of the women's program. H. L. Mauretson of Milwaukee, state agent Fireman's Fund, was arrangements chairman for the field men.

Wisconsin Blue Goose met the night before the field meetings, with T. A. Hites, Milwaukee, state agent Boston, in charge as most loyal gander. Seventeen goslings were initiated.

Blue Goose Officers

Officers elected were: W. W. Ferguson, state agent Queen, most loyal gander; A. H. Larson, Fireman's Fund, supervisor; J. A. Nelson, Home, custodian; H. W. Bailey, Meserole group, guardian; L. S. Wallace, Jr., America Fore, keeper, and H. L. Mauritsen, Fireman's Fund, welder. Mr. Hites,



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Frankly, I was "stumped" when I had to choose between the Completed Value or the Automatic Builder's Risk form. Luckily, I had a copy of the Royal-Liverpool Group's folder, "Looking Ahead... in the Building Field." It certainly straightened me out.

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delegate to grand nest; Mr. Ferguson, alternate.

R. A. Kenzel, Milwaukee, Phoenix of London, was endorsed for reelection as grand welder. A petition was adopted asking the national executive committee to confer honorary membership on H. O. Wolfe, Milwaukee attorney, judge advocate of the International. New officers were installed by Irvn Frey, Milwaukee, Firemen's, deputy for Illinois, who was presented a 25-year membership button by George E. Edmondson, Tampa, most loyal grand gander.

Guests included Paul Bauer, Joliet, Western Adjustment; Don Campbell, America Fore, Chicago, deputy for Wisconsin; C. W. Ohlsen, Sun, president W. U. A., and H. A. Clark, Loyalty group, president W. I. B.

The Wisconsin Fire Prevention Assn. elected Howard W. Monsen, Springfield, as president to succeed Eli Shupe, Home, and Victor Penn, Caledonian, secretary-treasurer. Plans were discussed for an extended program of town inspections starting next fall.

Thursday and Friday were given over to the association and bureau annual meetings, a joint special session and joint golf tournament and social program.

Underwriters' Election

The Wisconsin Fire Underwriters Assn. elected W. H. Berry, America Fore, president to succeed Mr. Ferguson. Eli Shupe, Home, was named vice-president, and B. H. Bauer, Great American, secretary-treasurer. Members of the executive committee are Mr. Ferguson, Harold Zibble, Agricultural; Howard Monsen, Springfield; H. L. Mauritsen, Fireman's Fund, and H. A. Preston, U. S. Fire.

"What Is Ahead for Us in 1947" was the topic discussed by Mr. Ohlsen before a joint meeting of the Wisconsin Underwriters and Wisconsin and Illinois bureau field clubs.

Wallace Rodgers, special representative in charge of the W.U.A. public relations program gave a talk.

In his address to the underwriters, President Ferguson briefly reviewed the current picture, calling attention to the seven-year upward trend, first ascribed to the war. He said nearly two years have passed since the end of hostilities, yet the increase in fire losses has continued unabated. The situation is serious, he said. The present position loss-wise becomes of great concern, for until the last few months the country has been moving along in a period in which industrial profits have been the rule, but if history repeats itself the insurance business still must face the strong influence of business failures on the fire loss curve.

Urges Watching Credits

Mr. Ferguson said a changed credit situation may occur in the not too distant future and the balance problem must be watched carefully. The last few weeks have disclosed situations that emphasize the need of a firm position by both agents and companies to avoid creation of a serious collection problem.

Separate business sessions were held by the Wisconsin and Illinois groups of field men of Western Insurance Bureau companies. The Wisconsin Club elected Carl H. Roggenkamp, Madison, state agent Ohio Farmers, president to succeed W. L. Jones, Milwaukee, Dubuque F. & M., and reelected Mrs. Helen Chapman, Tomahawk, Millers National, vice-president, and Irvn E. Frey, Milwaukee, Firemen's, secretary-treasurer.

The Illinois Club elected Eugene E. Wild, Rockford, Millers National, president to succeed W. L. Engberg, Rockford, Firemen's; Vern B. Hartung, Davenport, Security Fire, vice-president, and B. E. Hulton, Rockford, Loyalty group, secretary-treasurer.

These Bureau groups also held a joint session to hear Mr. Clark's talk on P. L. 15 and developments in legislation by states to avoid federal regulation.

The sports program and golf tournament Thursday afternoon and the dinner-dance and entertainment that eve-

ning were conducted jointly by all field groups.

Among the guests at the Wisconsin fieldmen's summer meeting, in addition to those already mentioned, were A. G. Gabrielson, Chicago, assistant secretary America Fore; C. E. Dox, Chicago, assistant manager London & Lancashire; J. J. Hubbell, resident secretary, and R. G. Tanger, marine manager, Chicago, Security of Connecticut; D. L. Jones, LeRoy, agency superintendent Ohio Farmers; R. S. Danforth, Chicago, assistant secretary, Millers National, and Lloyd Brown, Chicago, Loyalty group.

Myrick Named Most Loyal Gander of Florida Pond

Sam E. Myrick, manager for Home, was elected most loyal gander at the annual splash of the Florida Blue Goose. J. R. Foster, district manager for Florida Inspection Rating Bureau, is supervisor; Robert Hills, special agent, Phoenix of Hartford, custodian; Fred Gaskins, special agent, American of Newark, guardian; H. A. Chadbourne, special agent Aetna Fire, welder, and James M. Hill, state agent, Royal-Liverpool group, keeper.

The new officers were installed by Most Loyal Grand Gander George Edmondson, Tampa.

The largest class ever inducted, 28 goslings, took their first swim.

Golf prizes were won by Messrs. Myrick and Edmondson, and Neal E. Sellers, Jr., special agent Home.

Lay Plans for Wash. Fire Underwriters Session

The semi-annual meeting of the Washington Fire Underwriters Assn., formerly the Special Agents Assn. of the Pacific Northwest (western Washington division), will be held at Rainier Golf & Country Club, Seattle, July 11. John D. McAnally, America Fore group, is arrangements chairman.

Louis LaBow, president of LaBow, Haynes Co., Inc., Seattle agents brok-

WANT ADS

FIELD MAN WANTED

For Midwest territory. Excellent opportunity with a growing Mutual company, rated A plus. Agency plant already established. Previous field experience not necessary. Our present employees know of this ad. Address M-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT WANTED

Young man to travel Cook county field for stock fire insurance company. If you are ambitious and want to get ahead do not overlook this opportunity. Our employees know of this advertisement. Address M-34, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Agency has opening for Fire Protection Engineer with schedule rating experience. Opportunity to develop as a producer will be given to man who qualifies for this position. Age limit 35. Send complete personal data to Frederick Rauh & Co., Keith Bldg., Cincinnati, Ohio.

WANTED

Underwriter in all branches of insurance to work evenings and otherwise on own time in risk analysis work in Chicago. Address M-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Cleveland, Ohio Agency needs Sales Manager with Fire and Casualty experience. Develop new and established accounts. Unlimited opportunity. Salary plus commission. Outline previous experience. Address M-37, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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ers, will share the speakers' program with Fred G. Clarke, Jr., of Clarke, Clarke & Albertson, attorneys in Washington for the standard fire companies. Mr. LaBow will discuss current agency problems. "Subrogation" will be the topic of Mr. Clarke. Carl F. Zecher, Travelers Fire, is president.

The fieldmen will have a golf tournament starting in the morning and a business session late in the afternoon, followed by a social hour and dinner.

E. E. Collins, London & Lancashire group, is handling arrangements for the golf tournament and Roy G. Burlison, Swett & Crawford, is assisting Mr. McAnally on general arrangements.

Ohio Groups Meet at Cedar Point

The Fire Prevention Assn. of Ohio elected Philip L. Johnson, American, as president at the annual meeting at Cedar Point; Walter Hilton, National Union, vice-president; Edward C. Knoop, Home, secretary-treasurer, and William T. Cuddy, Buckeye Union, retiring secretary, as executive committee chairman.

The Ohio Fire Underwriters Assn. at its annual meeting there named Paul F. Brown, Hanover, Columbus, as president; Wade K. Wissler, Automobile, Cleveland, vice-president; H. R. Underwood, Providence Washington, Columbus, secretary-treasurer. Seven past presidents were shown honors: H. L. Rubrecht, St. Paul F&M.; W. W. Waters, Ohio Farmers; D. E. Tanner, Commercial Union; W. H. Witherspoon, Aetna Fire; K. J. Hoag, Fireman's Fund, and Fred I. Sipp, Hartford.

Herman P. Winter, Continental, who has been transferred to Chicago, has resigned as a member of the underwriters group. New members are Edgar C. Hamilton, state agent London Assurance, Columbus; Edw. A. Madana, special agent Automobile, and A. M. Goodwin, state agent Planet.

Seattle Pond Expected to Name Price as M.L.G.

Seattle Blue Goose will hold its annual meeting June 27 at Olympic Golf & Country Club with George W. Clarke, most loyal gander, presiding.

There will be a golf tournament in which Seattle pond members will compete for the Lee McKenzie Cup, with play on a handicap basis.

Election of officers and initiation of a small class of goslings will highlight the business meeting later in the afternoon. If the line of officers advances, according to custom, Henry O. Price, special agent Gould & Gould, will be elected M.L.G. As delegates to the grand nest, it is anticipated Mr. Price and E. E. Collins, London & Lancashire, past M.L.G., will be named.

There will be a cocktail hour before the banquet.

Ky. Groups Gather at Mammoth Cave

Kentucky gield men met for two days at Mammoth Cave. The Kentucky Fire Underwriters Assn. elected these officers: E. C. Hill, Aetna Fire, president, succeeding M. W. Boedeker, Royal Exchange; K. A. Dick, National, vice-president; R. L. Meeks, Fidelity & Guaranty, was reelected secretary-treasurer. M. W. Boedeker, retiring president, and R. K. Langan, Great American, were elected on the executive committee for two years and P. C. Grider, London Assurance; Wallace Smith, of

Royal-Liverpool, and C. D. Tartar, Home, for one year.

There was discussion of public relations with report by chairman R. K. Langan. The state has been divided into 15 districts, each with a chairman, who will be aided by five field men, plus a group of local agents, all working with the Kentucky Assn. of Insurance Agents.

The Fire Prevention Assn. at its annual meeting elected R. K. Dunkin, Travelers, as president, succeeding H. E. Timmons, Automobile. Smith Holland, Niagara, vice-president; Paul Beattie, New York Underwriters, reelected secretary.

Kentucky Blue Goose elected W. M. Horn, Kentucky Inspection Bureau, as most loyal gander, succeeding W. E. Kingsley, Lexington, general agent. Carl H. Bundow, Corroon & Reynolds, became supervisor; C. A. Smith, Louisville manager Western Adjustment, custodian; C. B. Tartar, Home, guardian; T. J. Nichol, Aetna Fire, welder; H. E. Timmons, Automobile, keeper. Five new goslings were ducked.

The Kentucky Speakers Bureau also held a meeting, but at Louisville. Andrew Hite, J. M. Todd & Co. agency, Louisville, was elected president, succeeding Henry Timmons; A. M. Edwards, Employers group, secretary, succeeding Mr. Hite; C. E. Fieldhouse, Home, vice-president, succeeding George Gamble.

Hoff Succeeds Osier as Iowa Pond Welder

DES MOINES — Retirement of R. P. Osier, Norwich Union, as welder after 21 years' service occurred at the annual meeting of Iowa Blue Goose.

John Hoff, Iowa state agent, Boston and Old Colony, is his successor as welder.

H. G. Zimmerman, L. E. Ellis & Co., was advanced to most loyal gander, succeeding E. A. Smith, Security. A. E. Holt, Aetna Fire, was named supervisor; F. C. Meister, Travelers, custodian; E. L. Wieck, Security, guardian, and L. K. Taylor, Commercial Union group, keeper.

George E. Edmondson, Tampa, M.L.G.G., installed the officers and spoke at the banquet. Mrs. Edmondson, who accompanied her husband, was given a luncheon by ladies of Blue Goose. A record number of 21 candidates were initiated.

Tennessee Organizations Convene at Chattanooga

CHATTANOOGA — The annual meeting of the Tennessee Fire Underwriters Assn., Tennessee Fire Prevention Assn. and Tennessee Blue Goose was held here Wednesday and will be concluded Thursday with election and installation of new officers for each organization.

Wednesday afternoon's session of the underwriters was addressed by R. E. Bruce, manager southeastern department Fire Companies Adjustment Bureau, Atlanta, and J. H. Hines, joint manager Hines Bros., Atlanta. President G. L. Frank presided.

Commissioner McCormack addressed the fire prevention meeting this morning, interpreting the new state fire prevention law and answering numerous questions. President A. B. Scott presided.

George E. Edmondson, Tampa, M. L. G. G., addressed the Blue Goose meeting, with James M. Simms, M. L. G., presiding. A banquet and dance will be held tonight.

Norris Joins F. & G. in Tex.

Neil Norris has been appointed special agent in Texas under supervision of State Agent J. Pearson for Fidelity & Guaranty, with headquarters in the Mercantile Bank building, Dallas.

Mr. Norris was a major in the army and has recently been with General Adjustment Bureau in west Texas.



Your Clients and Their Employees Will Like This Service

Here's a type of coverage that will deeply interest many of your most important commercial clients — and the commissions can be sizable.

Many employers have asked this question—"How can I set up an employee incentive and retirement plan and still not obligate myself to a heavy fixed commitment?" The Connecticut Mutual Profit Sharing and Retirement Plan provides the answer to that question. The employer contributes to the plan only a fixed percentage of profits each year, a portion to be invested in life insurance, the balance in a trusted account. Employees deeply appreciate both

the immediate insurance protection afforded their families and the retirement benefits available for themselves. There are tax advantages to both employer and employees.

Among the pioneers in pension and profit sharing trusts, The Connecticut Mutual is fully equipped to help when an agent has such a prospect. Any good fire and casualty agency has among its own clients numerous such prospects.

Send today for your copy of an explanatory booklet that tells why and how a Connecticut Mutual Profit Sharing and Retirement Plan will appeal to your clients.



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LIFE INSURANCE COMPANY • HARTFORD

The Connecticut Mutual Life Insurance Company
Hartford, Connecticut

Please send me, free and without obligation, your booklet
"A Profit Sharing and Retirement Plan." I'm interested in
its possible application to some of my clients.

Name (please print)

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Town or City State

**Insurance Advisers, Consultants
Managers, Engineers**

BELT and RICKER
330 So. Wells St. Chicago

EDITORIAL COMMENT

Curbing the Cancel-and-Rewrite System

Deputy Superintendent Walter F. Martineau gave some excellent advice in his recent talk before the Queens County Agents Assn. of New York City when he said agents should not cancel and rewrite their assured's policies to avoid the consequences of an impending rate rise. He was severely critical of those who followed this course before the recent fire insurance rate revision in New York state.

Nevertheless, the agent who would like to follow Mr. Martineau's counsel finds himself facing a difficult choice. If he follows it he is quite likely to lose some of his customers to other agents who feel that as long as they are playing the game within the rules they should not be stopped from trying to give their customers the benefit of a saving.

Even from the public relations angle, on which Mr. Martineau based a good share of his argument, there is a dilemma: Is it worse public relations to help an assured keep his present lower rate by cancelling and rewriting, even though it deprives the insurer of added income that the experience shows it is entitled to or is it worse to have to explain that you could have saved him some money by cancelling and rewriting but felt the company was more entitled to the difference than he was?

When human nature is nearer perfection it may be possible for an agent to explain the situation to an insured and

have him agree that he should pass up the saving even though he could get it with entire legality. Until that time it will be a difficult task to induce agents, however well intentioned, to hold off cancelling and rewriting while a competitor can do it with impunity or at worst no more than a dirty look from the insurance department.

That the New York department may have something more drastic in mind is a logical inference from Mr. Martineau's question: "How can we permit some agents to spend their time finding ways and means to circumvent the rate revisions which the experience of the business makes necessary?"

The problem for which Mr. Martineau seeks a solution is a complex and baffling one. As long as the insured has the privilege of cancelling his insurance and taking out new coverage there will be someone to keep him reminded of the advisability of doing this when a rate rise impends which is more than enough to offset the short-rate penalty. If agents are forbidden to do it we may look for a new "profession" akin to those who advise the public on how to get their taxes or utility rates reduced who will tell insured what the agents are forbidden to tell them.

We sympathize with Mr. Martineau's efforts. Perhaps a workable solution can be devised. After all, rebating is no longer viewed as a legitimate competitive weapon.

New Leverage for Agents

Sometimes an agency has an altercation with one of its companies which grows into a feeling of irritability. The agent desires something done and he tells the company why he wants it done that way and in his view is the only straight way to accomplish what he has in mind. The company has an entirely different view and this discussion may

lead to bad feeling. However, 1947 has given the agent a new leverage which he can use with a company to a great advantage. In order to gain his end he now can say to the company official:

"Unless you do the right, fair and just thing with me, I will double your business." That always rings the bell. The agent gains his point.

PERSONAL SIDE OF THE BUSINESS

During the recent convention of Rotary International in San Francisco, Fireman's Fund was host to a large group of Rotarians engaged in the insurance business throughout the world. Ray L. Ellis, company vice-president, was host and President James F. Craft attended the luncheon and made a brief

speech of welcome. Insurance men were present from all parts of the United States, Canada, Malaya, Egypt and England.

R. H. Griffith, vice-president of the Glens Falls companies in charge of Pacific Coast operations, celebrated the 25th anniversary of establishment of the

Pacific Coast department by himself last week. Since that time the premium income for the companies has grown from \$150,000 to more than \$5,000,000 annually. He is past president Pacific Board and has been with Glens Falls since 1911, serving in the midwest before being transferred to establish the department in San Francisco.

J. W. Blanton, Sr., head of the Blanton, Thomas & Co. Agency, Dallas, and Mrs. Blanton will leave July 1 on a vacation which will include Banff, Lake Louise, and points in the northwest and along the Pacific Coast.

F. B. Schachte of Charleston is the new president of South Carolina Assn. of Insurance Agents, and J. T. Hudson



F. B. Schachte



J. T. Hudson

of Spartanburg is the new state national director. He is the immediate past president.

Paul E. Rudd, who for many years was Wisconsin state agent of Aetna Fire, is moving to Punta Gorda, Fla. He has sold his home in Milwaukee and expects to stay in Florida except for the hottest part of the year when he will migrate northward. He intends to be present at the meeting of the Blue Goose grand nest at Miami Beach in October. He started in the business 45 years ago as a local agent in Indiana.

DEATHS

John W. Cook, 81, of Evansville, Ind., died after six months of illness. He represented Fidelity-Phenix in his local agency and in the field for more than 50 years. With his brothers, Clarence A. and S. Wallace Cook, he was associated for many years in the Cook Brothers state agency for the farm department of Fidelity-Phenix. That agency was dissolved a number of years ago. Clarence A. Cook, now retired, is living in Indianapolis.

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James O. Cobb, head of James O. Cobb & Co., of Durham, N. C., one of the largest local agencies in the south, died at Duke Memorial Hospital. He had been in failing health for some time. M. Cobb was active in the organization of Southern Fire of Durham.

Surviving are his widow, two sons and a daughter, two sisters and a brother.

George Grebin of Seattle, 70, for the last 21 years active in Northwestern Mutual Fire, died at his home following a short illness.

James L. Hanway, 67, head of the Dallas local agency of Hanway & Williams, died of a heart attack in his office. He had been secretary of the Kiwanis Club for 26 years.

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J. W. Hargreaves, 58, a partner in the Hargreaves & Orkney agency of Yakima for 37 years, died following an illness of three months. He was associated with J. W. Orkney. Mr. Hargreaves' interest in the agency has been taken over by his son, J. W. Hargreaves, Jr., and son-in-law, Robert Junker.

Mrs. J. H. Macfarlane, wife of the secretary western department of American Fore, died last week at the Swedish Covenant hospital. She had been confined to that institution for 4½ years. Mr. Macfarlane would return to his home and go to the hospital and stay with his wife. She had a stroke and her speech was impaired. Mr. Macfarlane has not been in the best of health for the last year or so. Mrs. Macfarlane had to have two expert nurses every day, but her death was hastened by having her knee broken.

Harry W. Falconer, 84, who founded the Falconer Co. in 1898 at Toledo, which now is Picton-Cavanaugh, from which he retired three years ago, died.

Gayton S. Newcombe, 46, head of the D. E. Newcombe Sons agency, Flint, Mich., and past president Flint Assn. of Insurance Agents, died in St. Joseph hospital there after a five-week illness. Services were held Tuesday. He was a native of Flint and attended University of Michigan. He became identified with insurance in 1924 while employed by Union Trust Abstract Co., and the following year opened an insurance and real estate agency in West Palm Beach, Fla., but went back to Flint in 1927 as assistant manager of Union Trust Guarantee Title & Mortgage Co. He and his father, the late D. E. Newcombe, formed their agency in 1934.

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Need Change of Pace; A. & H. Sales Plans Given at Boston

(CONTINUED FROM PAGE 8)

continued to pay his bills and do what the doctor told him, 'Don't worry.'

He declared that forced sales do not breed cancellations "if you sell them right. There has never been a sale made that the salesman didn't take off his gloves, bare his knuckles and drive home the true effectiveness of what the contract means when applied to the prospect."

Stress Fundamentals in Training

O. J. Breidenbaugh, executive secretary of the National association, in reviewing its educational program, said it is necessary to conceive of training as a medium for passing on to the future the fundamentals that have been established from past experience.

"Stress conviction in selling," he said, "conviction that is based upon such complete belief in A. & H. protection that you have full coverage for yourself and can sell every salesman of it on the same basis."

"Search for the motivations that will keep us going even after we have all the money we need. Learn to evaluate our time and use it effectively. Devote some real effort to building prestige."

"Actively participate in our own association and support it as it should be supported. Then we can expect real results in production—and in the development of our business."

"It is not a sink or swim principle—it is a matter of passing on to those who are coming into the business the knowledge that will enable them to meet the tremendous challenge that is presented by the universal need for our product. In reality, it is our only salvation—for the need is there and unless we can as an industry multiply our efforts and do it quickly, someone else is going to find

a way to meet that need. I think we can do it."

The soliciting agents form the backbone and the foundation of the whole structure of the accident and health business, and company executives need to lend them a helping hand in climbing the "stairway of sales," Putnam McDowell, vice-president of Craftsman, declared. The executive should and must always remember that not too long ago he was an agent, and at the same time show the agent "that he can hope in the future to arrive at that executive position that is the aim of us all." That long upward climb, he said, is nothing more than a "stairway of sales." Every step that leads from the bottom to the top of that stairway is made up from a sale of one kind or another.

By sales, Mr. McDowell said he did not necessarily mean mere merchandising, order taking and soliciting. Selling is far more extensive than that. "True, we have our product to sell, but more important is that we have ourselves to sell. We sell our service, we sell our abilities, and this applies to everyone, whether he be an executive or just a part-time soliciting agent."

Must Sift Out Prospects

Mr. McDowell said there is no single cut and dried method of obtaining signatures on accident and health applications. The country is full of suspects but only the minority of these are real prospects. In finding these real prospects, help from the manager and company officials is needed.

Taking up the ways of sifting prospects, Mr. McDowell said one of the foremost methods is use of the telephone, but this can't be done in a hit or miss manner. If not handled properly,

it will cost an agent money, rather than earn money for him. In the first place, the soliciting agent has to pay for his telephone survey girl out of his own pocket, and if she is good, he will have to pay her well. The idea is to telephone every subscriber in a particular neighborhood. The caller must have an unlimited private phone, a good voice and a substantial degree of education. He suggested that a shut-in might well be the best for this work.

Casualty Heritage Outgrown

Walter G. Gastil, Connecticut General Life, Los Angeles, National association executive board member, discussing "The Challenge to the Institution of Accident and Health Insurance," said that while accident and health is the child of casualty insurance, it may now be questioned as to whether it has not outgrown that heritage on several points which he listed, especially as to its commission basis.

He classed as the first challenge facing the business today the necessity of serving a larger part of society with a larger portfolio of appropriate coverages at a fair and equitable price.

"I contend that a company's first obligation is to provide the best possible coverage within the reach of the largest number of people at a fair price," he said. "Its second obligation is to offer a fair return for the services of those who distribute that merchandise. I can't believe that distribution costs which run close to 50% of the premium dollar is a fair deal for the public or the best deal for the general agents and agents."

Need for Better Service

"Is it not possible that better coverage—for example, guaranteed renewable coverages—would permit larger first year commissions, proper compensation for creative selling, a modest service fee for continuing service, and give agents more time for selling new people, broaden the market, and both the public and the agents be better off? That's a challenge for some company's study."

The second challenge, he said, is a need for better service to the insured. That is up to the field force, where the salesmen in the past "have looked too much toward our own pocketbook and thought too little about the whole job to be done." Third, there is a need for better public relations, and that is a job that the field force and the home office must join hands to solve. In that connection he took up especially the problem of combating or heading off legislation inimical to the business.

"If, by the unusualness of service rendered, each accident and health salesman of America would each week make just one policyholder acutely conscious of what had been done for him, then in one year the 30,000 accident and health men of America would make 1½ million friends. In 10 years 15 million men and women voters of America would be friends of the accident and health business and we need never fear for the future of our business."

Rudolph C. Larson, field supervisor of Aetna Casualty, emphasized the importance of not overlooking the children. He said agencies get old and their clients do likewise. When an agent is getting ready to take things a little easier, he finds his customers are beginning to drop off. One agent decided to sell to every one of his customers who had children a children's educational policy. Then he follows up these younger policyholders and lines them up as future clients.

Mr. Larson stressed the high renewals on accident insurance. He said that on the average with his companies such policies renew for 11 years.

He reviewed the replies to a questionnaire sent to 54 of his company's leading producers of accident business. Among the points brought out were stress on sales to women and children; sale of the broadest coverage, a simple sales presentation, and selling additional coverage to present policyholders.

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix

Insurance Company, Hartford, Conn.
1854

The Connecticut

The Insurance Co. of Hartford, Conn.
1850

EQUITABLE

Fire & Marine Insurance Company
Providence, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GRAND EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
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Senate Group Has Hearings on Crosser Issue

Insurance Interests Are Showing Fighting Spirit at Washington

WASHINGTON—A Senate labor and welfare subcommittee headed by Senator Ball, Minnesota, Monday began a two-day hearing on legislation to repeal non-occupational, sickness and maternity benefit provisions of the Crosser railroad retirement act. The first day was allotted to proponents of the legislation, the second day to the opposition.



Neville Pilling

The legislation was subject of executive sessions Wednesday of the Howell subcommittee and House interstate commerce committee. The latter meets again Friday on the matter. The subcommittee recommended H.R. 3150 with one dissenting vote to the full committee.

Pilling Gets Credit

Much credit for the resurrection of the bill to modify Crosser act benefits goes to Neville Pilling, U. S. manager of Zurich. He attended the famous House committee hearing that didn't come off—when Rep. Crosser resorted to gag tactics. This so infuriated Mr. Pilling and he was already so intensely devoted to the legislation that for the past several weeks he has given practically all of his waking hours to the cause of H.R. 3150. When others were ready to throw in the sponge Mr. Pilling became all the more determined to go ahead and he has provided the necessary spark. He has been at Washington days on end and has interviewed important legislators at their homes over week ends. When he is at Chicago he is on the phone almost constantly in the interest of H.R. 3150.

Concluding his hearings Saturday, the House subcommittee heard Harry See, representing Brotherhood of Railroad Trainmen, say it has \$160 million life coverage in force and has paid \$150 million claims; this in addition to accident and health. Mr. See indicated his organization does not fear the effect of Crosser benefits upon the BRT insurance program. On the contrary, his position was that the Crosser insurance program and increased benefits would make brotherhood members more insurance conscious and interested in acquiring more protection.

Monday's witnesses at the the Senate hearing included Dewey Dorsett, Assn. of Casualty & Surety Companies; Edward D. Brown, Chicago actuary; Edward J. Schmuck, National Assn. of Life Underwriters; Robert L. Hogg, American Life Convention; Seward H. Jacobi, manager social security department, New Jersey chamber of commerce, on behalf of the social security committee of National Assn. of State Chambers of Commerce; Hugo Kuechenmeister, controller of Ed. Schuster & Co., Milwaukee, and James M. Souby, general solicitor Assn. of American Railroads.

Oscar West, National Assn. of Insurance Agents, presented a statement in

(CONTINUED ON LAST PAGE)

Three Blanket Bond Forms Are Overhauled

Surety Association of America has announced numerous revisions in three bankers blanket bond forms, effective June 1. Involved are Form No. 5, savings bank blanket bond, Form No. 20, federal home loan banks blanket bond, and Form No. 22, savings and loan blanket bonds.

Nineteen major changes were announced as applicable to all three bonds and individual changes in each were also included. Interest will be principally centered on Form No. 22 which is written in the greatest volume compared to the other bonds in this trio.

Many Involved Changes

Many of the changes are detailed and of a technical nature, the principal ones being the broadening of the premises insuring clause to cover property while it is or is supposed to be in or on any premises anywhere except while in the mail or with a carrier for hire other than an armored vehicle company. The so-called "privilege coverage" is broadened to cover any loss of subscription, conversion, redemption, or deposit privileges through the misplacement or loss of "property" giving such privileges.

The in transit insuring clause is broadened to cover property in the custody of any person acting as messenger. Valuation of securities clause is changed so that the company can replace in kind lost securities or pay the cost of replacement on the basis of the average market value on the date preceding discovery of the loss by insured.

The riot and civil commotion exclusion has been removed and the loan exclusion clause has been styled after that which is in other bankers blanket bonds.

Patterned After Other Forms

In effect, the trend has been to pattern the coverage and makeup of these contracts to that of other banker blanket bonds.

Time limit for starting legal proceedings has been raised from 18 to 24 months after the loss has been discovered. The time for starting legal proceedings in cases covered under the court costs and attorneys' fees section is extended to 24 months after judgment in any suit is final. This extension was heretofore available under the Form 5 by a special rider.

The retroactive reinstatement clause is now known as the "non-reduction of liability clause" and it provides that payment of a loss does not reduce the liability of the underwriter for other losses. Also, in line with a prior elimination of reinstatement premium provisions, such references have been culled from the clause appearing in the bond.

The "non-accumulation of liability" paragraph includes the language which formerly appeared in the "retroactive reinstatement" of the older versions and has been stated separately to clarify the intent.

Cumulative Clause Clarified

Another new paragraph titled "limit of liability under this bond and prior insurance" is added and corresponds to the non-cumulative provisions formerly a part of the retroactive extension clauses. Its purpose is to eliminate accumulation of liability when successive bonds are issued by the underwriter to the same insured. It is believed, as a consequence of this provision, that non-accumulative riders will no longer be necessary whether or not there is a gap in the coverage between a prior bond and a new bond.

The "other insurance or indemnity clause" is changed so that it provides the bond is excess rather than partici-

LLOYDS IS INSURER

Walgreen Co. Embezzlement Loss May Be \$100,000

Another jumbo dishonesty loss that has just come to light is that to which William J. Cooney, assistant treasurer of the Walgreen Co., Chicago, has confessed. The embezzlement will amount to between \$75,000 and \$100,000. Ironically, it was Cooney that was insurance buyer for Walgreen and placed the employees' fidelity bond as well as other insurance through Marsh & McLennan, Chicago. London Lloyds is the insurer.

The form and total bond amount was not disclosed but it was indicated that there was more than sufficient to care for this loss.

Most of the money was spent by Cooney betting on horses.

The money was obtained through his handling employees' purchases of shares in the Walgreen Co., by which he was able to divert 3,314 shares to his own use. Cooney confessed he had been engaged in this juggling for 10 years.

Cooney was absent from the office on account of illness at the time an auditing company was reviewing the employees' stock account. It was found that some employees had left their paid up shares for safekeeping and it was alleged that Cooney had shifted these shares to the accounts for shares being bought on the installment plan.

Cooney was with Walgreen 20 years and is 50 years old.

Confer on Expense Matters

BOSTON — Commissioner Harrington called a conference of some 60 casualty company actuaries and statisticians for a discussion of allocation of expenses in reporting workmen's compensation and compulsory automobile liability insurance experience. First Deputy Commissioner Cogswell presided and other department officials participated. The commissioner expects to issue a ruling soon on the topic, outlining the problem and commenting on lack of uniformity in company practice.

Agents Back Safety Course

Port Huron (Mich.) Assn. of Insurance Agents has given \$500 to public schools there to help finance a driver training program for students. H. A. Thomas is chairman of the safety and accident prevention committee. Behind-the-wheel training and classroom instruction are planned.

pating concurrently. Also, reference to underlying fidelity coverage has been eliminated.

Principal changes in Form No. 22 include a new paragraph in the premises insuring clause to provide coverage on any items of property while within the insured's offices and in the possession of any customer of the insured or of any representative of such customer. Thus, as one example, if customers were on the premises to make deposits and a hold-up ensued, the customers' losses would be covered. The forgery insuring clause has been altered so as to clarify the fact that forgery or alteration of, on, or in, instruments are covered.

Many riders have been revised and a few have been eliminated to accomplish other changes in the coverage to meet the specific needs of certain risks.

A so-called substitution rider can be attached to all existing bonds to provide coverage equivalent to that in the revised forms without the re-execution of the contract. This rider is not acceptable for use in Massachusetts.

Texas has not approved any of these changes.

Roundup of A. & H. Field Leaders Is Largest Ever

New Constitution Adopted for National Association at Boston

NEW OFFICERS ELECTED

President—Gilbert H. Knight, Federal Life & Casualty, Cleveland.

First vice-president—E. F. Gregory, Business Men's Assurance, Denver.

Second vice-president—C. B. Stumpf, Illinois Mutual Casualty, Madison, Wis.

Executive board—(Three years) E. G. Lambertson, Great Northern Life, Lansing, Mich.; Christopher F. Lee, Columbian National Life, Boston (reelected); Arthur Johnson, Travelers, Des Moines, and Carl A. Ernst, North American Life & Casualty, Milwaukee. One year—G. V. Chandler, General Accident, San Francisco, and Porter Bywaters, Employers Casualty, Dallas.

By FRANK A. POST

BOSTON—Climaxing one of the largest and most successful annual meetings ever held, evidencing the growth of the organization and the increasing interest, the National Assn. of Accident & Health Underwriters at the closing session Wednesday adopted a new constitution. This was brought up to date to meet present day conditions resulting from the successful establishment of a headquarters office and the centralizing in it of various association activities.

The most important changes made



G. H. Knight



R. B. Smith

were the elimination of proxy voting, the dropping of past presidents as voting members of the national council and doing away with mid-year meetings. Under the new setup, the executive board urged that local associations pay all or part of the expenses of delegates, so as to assure that all of them would be represented.

Minneapolis was selected for the next meeting. St. Louis also extended an invitation for next year and Milwaukee asked for the 1950 meeting.

Conrad J. Eliason, Monarch Life, Minneapolis, was elected chairman of the Leading Producers Round Table. He has been secretary the past year. Rolf R. Holl, Mutual Benefit H. & A., Kansas City, was named a new member of the executive committee. No secretary was elected, as the secretarial work now is to be taken over by the National headquarters office.

It was decided that all new qualifications hereafter must be on the basis of personal production. Heretofore managers and general agents have been permitted to qualify on certain stand-

(CONTINUED ON PAGE 24)

Strive to Save Keystone Mutual from Gallows

Last Minute Schemes Advanced—Malone Takes Firm Stand

HARRISBURG—Officers of Keystone Mutual resigned and asked state to take over management of company. Company attorney sought rehabilitation and state asked liquidation at hearing here Wednesday.

HARRISBURG — An entire new slate of officials will have to be installed by Keystone Mutual Casualty of Pittsburgh, and a refinancing arrangement satisfactory to the insurance department completed before it will be permitted to do business, Commissioner Malone of Pennsylvania has declared.

If the company does not reorganize, its officers are scheduled to appear before Attorney General Chidsey this week for a hearing to determine whether the company is solvent.

An incomplete examination of its books shows that its financial structure has been impaired, Mr. Malone said, and in order to avoid the scheduled hearing the company will have to be re-financed and reorganized, he added.

"If they raise the money and new people take over — and I mean new people, people who are familiar with the insurance business — the hearing will

not be necessary. After all, that would protect the policyholders, and this is our first consideration."

"But," he continued, "I certainly would not permit N. P. Kann, the secretary, and Andrew O'Leary, a vice-president, and some other officers to continue to run the company. A loan to the company under its present setup would not meet the situation and I would not approve of lifting our ban."

It has been rumored that a \$2 million transaction was being considered to avert liquidation proceedings. Insurance department officials have indicated that the company would need about \$1½ million to return it to a sound financial position.

In any event, Mr. Malone has indicated, the probe of the company's methods of doing business will be continued until a complete audit has been made by accountants representing each of the 26 states in which the company does business. He said a complete audit may take six to eight weeks. If illegal practices are found to have been followed, the commissioner said he would push for criminal prosecution of those responsible.

It was pointed out that Morry Hoffman, an insurance agent who helped to organize Keystone, but has not been associated with it since 1940 except as an agent, is still listed on the firm's policies as its president.

Mr. Hoffman has issued the following statement:

"I helped organize the company in 1936 and was active in its management until 1940, at which time I withdrew from the business, and became one of its agents for writing insurance.

"They continued to name me president but under the by-laws of the company the office of president was an empty and a meaningless title; one that carried no duties, no power, no responsibilities, no authority and no salary.

"Since 1940, I have had absolutely nothing to do with the management of the company or the formulation of its

policies. I was merely one of its agents for writing insurance like thousands of other agents. I received no consideration or profit different than what was granted or paid to other agents, and I knew no more about the administration of its business than any other of the thousands of agents writing its insurance.

"I know nothing about any matters or events that have brought the company to its present crisis," Hoffman said.

Keystone Automobile Club has been running advertisements in Pennsylvania newspapers stating that there has never been any connection between Keystone Automobile Club Casualty and Keystone Mutual Casualty.

D. C. CABS AFFECTED

WASHINGTON — Following Superintendent Jordan's revocation of Keystone Mutual Casualty license, orders were issued by local traffic officials suspending operation of 1,716 taxicabs carrying insurance with that company. Most cabs took out other insurance.

The Virginia Corporation Commission suspended operation of many cabs in that state, insured in Keystone Mutual. The Maryland Public Service Commission ordered that company to write no new coverage and to renew no policies, but did not suspend licenses of cabs the company insured.

D. A. LENDS A HAND

PITTSBURGH — District Attorney Leslie of Allegheny county, has entered the probe of Keystone Mutual Casualty. He has assigned Assistant District Attorney Charles B. Jarrett to work with the insurance department to determine if any criminal acts have been committed by company officials, he said.

"This is a matter that demands the fullest investigation to determine whether there have been any illegal acts committed by the corporate officers which have affected adversely, not only the policyholders of the company but also the general public," the district attorney said.

Insurance department records show the following as officers: M. D. Hoffman, president; N. P. Kann, secretary; E. J. Kann, treasurer; D. L. McLay, A. J. O'Leary and J. D. O'Neil, vice-presidents. All officers except O'Neil are also directors.

Find Human Cause for Most Air Crashes

Transportation Insurance Rating Bureau has issued a memorandum which states that the recent series of airline crashes do not indicate the presence of some obscure mechanical or structural defects which should change underwriting practices on commercial aviation risks. The conclusions are that airline accidents can be reduced sharply, that the human element remains the most important in underwriting aviation risks and that crashes on scheduled airlines have resulted chiefly from disregard of known safety regulations.

Blind landing systems, radar and mechanical safety devices all help to improve conditions, but none of these will materially affect the safety picture until the human error has been corrected. New laws and new investigations are useless, the report states. The basic cause of scheduled airline accident is laxity in the execution and enforcement of existing regulations.

Civil Aeronautics Board reports on crashes during the past few years reveal no new accident causes, but pile up an amazing record of human failure. Many accidents which are ascribed to pilot errors in fact resulted from a combination of errors among them company negligence in not setting up proper safety procedures, deliberate taking of chances by pilots and occasional flagrant violation of company and C.A.B. regulations.

Conference Proves Merit in Solving Industry Problems

Spotke Calls for More; Urges Long-Haul Catastrophe Plan

SWAMPSCOTT, MASS. — Dealing with industry problems by conference of producers, company men and rating organization representatives constitutes one of the outstanding developments in the insurance business over the last few years, Albert E. Spotke, secretary of the National Bureau of Casualty & Surety Underwriters, declared in his appearance before the New England Assns. of Insurance Agents here.

He also touched on the reported scarcity of market for long haul trucking lines and the automobile business generally.

The conference method, not long ago looked upon askance, has demonstrated its advantages so clearly that opportunity for such conferences is eagerly sought, he said.

Achieves Best Results

"All who have participated in these conferences have come to realize that by seeking to advance our own interests on the basis of what is also good for the other segments of our business, we will achieve the best results all around, for companies, for the producers, for the insurance buyer and for the public at large," he observed. A sure way to detect and eliminate flaws and reinforce strong points is to subject views and objectives while not fixed or final to the searching examination of other branches of the business.

The greater interest and understanding that "we have been showing in one another's problems" constitutes one of the greatest and most promising developments in recent years. He called attention to the recent conference between the casualty committee of the National association and the Bureau. Such conferences are not window dressing. "None of the proposals which we have submitted to them (the producers) has been offered on a take-it-or-leave-it basis." Numerous recent changes in the auto and general liability manuals can be attributed to the work and recommendations of the National association casualty committee and other producer groups as well as National association staff members.

Two Conference Principles

Two cardinal considerations must predominate these deliberations, he asserted. Either ideas which are advanced must be accepted and must be translated into concrete results and into action with all expedition consistent with sound practice, or ideas must be rejected with good and sufficient cause. The reasons for rejection must be clearly stated in order that the proponents of such ideas will understand the whys and wherefores for the action taken. The result, on this basis, will be worthwhile accomplishments or a better understanding of common problems.

Mr. Spotke commented that in recent months producers stated they were having difficulty placing long-haul trucking lines. He believes there is a market for this business, but that some producers and some risks are having difficulty in obtaining insurance is not surprising in view of the rate history of the business, its troublesome underwriting aspects, and the financial strain

(CONTINUED ON PAGE 25)

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100 Pa. Claim Men at Bedford Rally

F. P. Sullivan, Pittsburgh, was elected president of the Pennsylvania Claim Men's Assn. at the first meeting since 1941 at Bedford. J. C. Phillips, Harrisburg; Robert Hubbard, Altoona; D. P. Conklin, Allentown; J. N. McKnight, Erie, and William S. Deak, Reading, are vice-presidents. Stacy R. Albany, Harrisburg, is treasurer and Robert J. Lawrence, Pittsburgh, secretary. There were 100 registered.

Speakers included Judge J. Colvin Wright of Bedford county, who praised the relations between the adjusters and courts; J. B. Martin of the firm of Duane, Norris & Heckscher, Philadelphia, who discussed the impact of federal rules relating to deposition, discovery and investigation of cases, and Major Stephen G. Chasko, of Valley Forge general hospital.

Commissioner Malone of Pennsylvania, who was scheduled to address the meeting could not attend, and Ralph Alexander, deputy, brought greetings from the department. A review of the comprehensive personal liability policy was delivered by Charles H. Bokman,

resident vice-president of New Amsterdam Casualty at Pittsburgh.

Mr. Bokman said the single limit feature for liability and property damage apparently is an effort to test out the single limit theory and if it works satisfactorily on comprehensive personal liability it may be extended widely to other contracts.

Riley General Manager

W. Culver Riley has been named general manager of Canadian Fire and Canadian Indemnity to succeed the late Jas. A. Dowler. Mr. Riley joined the organization in 1925 and was assistant casualty manager until becoming Toronto manager in 1934. He served overseas in the war as lieutenant colonel. Since his return he has been at head office as assistant general manager.

Consolidated Seeks Charter

Consolidated Casualty of San Francisco has filed articles of incorporation in California. Its capital will be 10,000 shares of \$100 par. J. H. Russell, former vice-president of Guarantee Insurance Co., now head of Common Carriers Auxiliary Corp., is one of the leading backers of the new company.

Insurers Shy from Team Accident on N. J. Schools

Group accident coverage for high school athletes has been approved by the New Jersey legislature for purchase by the boards of education but the companies are not rushing for the business. Agents report that they can provide the coverage but that the rates are subject to subsequent revision.

The companies have reason to be wary. A company which provided coverage last year charged from \$4 per man on football down to \$2.50 for minor sports. The company lost money. The coverage provided for medical expenses up to \$250, but it wasn't the big claims that gave the trouble. It was a succession of small claims ranging from \$2 to \$5 dollars that provided an almost constant drain. When a football player had his breath knocked out of him a doctor was called and a claim filed. The company plans to raise premiums this year.

A delicate situation faces the companies. It will not be pleasant if the policy imposes restrictions on medical attention for apparently minor injuries and a student dies from a skull fracture that a coach or trainer could not diagnose. Who shall be authorized to take the place of the physician in deciding whether or not an injury is trivial? On the other hand, policies providing no restrictions would necessitate prohibitive premiums.

N. H. Now Permits Writing Auto, Aviation PL., P.D.

CONCORD, N. H.—Commissioner Knowlton has notified casualty companies that under an amendment to the laws approved June 10, casualty companies now may insure against P.L. and P.D. on motor vehicles and aircraft, their fittings and contents, and use and occupancy against loss or damage from accident, collision, fire, theft or other casualty. Companies desiring to unite any of these coverages in the state will require transcript of their charter and a certificate from the home state commissioner showing their right to write the business these, as well as a letter from the home commissioner setting forth special requirements, if any, that a New Hampshire company would have to meet to write the additional lines in the other state. Existing company licenses must be returned to the New Hampshire department for amendment and all agents of casualty companies must be licensed to write automobile fire if they are to write this automobile physical damage coverage.

Confesses Taking \$57,000

Frank Albert, 47, has been charged with misappropriating \$57,000 from Tankers Co., New York City, in the past 18 months. National Surety has the bond. The shortage was discovered when Albert left his job.

Lt. Grover C. Brown of the New York police department auto and forgery squad obtained Albert's confession by telephone. Two detectives were sent to pick up Albert but found he had suffered an injury and was in a cast. Brown thought he should be removed to Bellevue hospital under guard but agreed not to do this if Albert would give him some facts. Albert admitted (by phone) that he had taken \$57,000 in a period of 18 months and that he spent it on the races, sometimes betting \$10,000 a day.

The amount may go to \$75,000.

Seide Full Time Secretary of Self Insurers Assn.

The board of managers of the Self-Insurers Assn., New York, have appointed Harry Seide as full time secretary. His headquarters are at Room 1248, 466 Lexington avenue, New York 17, N.Y.

Mr. Seide will retire as a member of the board of managers on July 1, coincident with leaving Consolidated Edison Company, New York, where he has been in the insurance department.

Coordinate Royal, Eagle, Globe New York Offices

NEW YORK—The metropolitan offices of Eagle, Globe and Royal Indemnity companies have been coordinated and located on the ground floor at 150 William street. Eagle Indemnity has moved from its previous location at 84 William street.

Coincident with the latter change, Edward B. Thistle, vice-president of Eagle Indemnity and in charge of the metropolitan office since 1925, is being retired on a retirement allowance in recognition of his service.

The coordinated office is under supervision of W. J. Thompson, vice-president of the group. Associated with him are Frank D. Gallaher, manager of the casualty department; W. T. Fitzgerald, assistant manager casualty department, and Frank Guastella, superintendent of the production department, are directed by the following: Accident and health, E. S. Bradley; automobile, W. J. Richardson; boiler and machinery, I. MacLennan; burglary, W. S. Costello; compensation & liability, W. S. Macaulay; fidelity & surety, D. H. Colyer; glass, G. S. MacQueen; special risk, C. Bottinger.

The rearrangement has been made with the thought in mind that underwriting powers of all companies may soon be extended, in which event the coordinated department would be prepared to meet any new problems.

Schoumacher Promoted

Elmer Schoumacher, assistant casualty manager at Chicago for Maryland Casualty, has been promoted to manager of the casualty department at Cincinnati.

Previous to his connection with Maryland, Mr. Schoumacher was with the head office of Continental Casualty for several years before and after the war. In his position with Continental, he serviced general agencies reporting direct to the home office in several states.

Prior to being with Continental, he was with Lumbermen's Mutual Casualty at Chicago for several years.

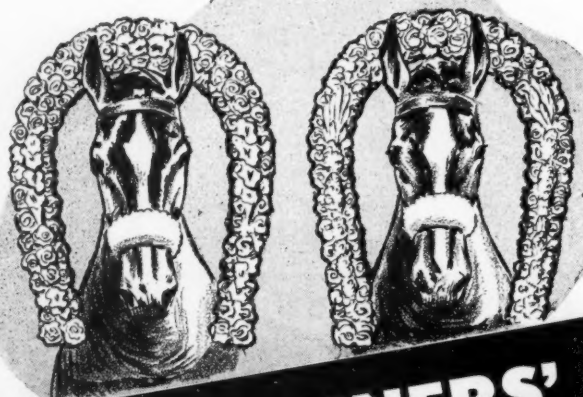
Threatens State Coverage

SALEM, ORE.—Because a lone bid for public liability and property damage on state owned cars was more than double that of a similar bid submitted in 1946, the board of control threw the bid out with a warning that if proffers made on a new call for bids were not materially lower the state would carry its own insurance. The bid was submitted by Truck Insurance Co. for \$38,586.20. A year ago the cost of insurance coverage on state-owned cars was \$15,656.89.

Mountain States Fire has been incorporated at Boise by William Knox, Jess B. Hawley and F. R. Kirk.

FRANCHISE WANTED

Our supervisory general agency is in need of additional capacity for all the commonly-written Casualty lines. Want to contact a company or companies, now in Illinois, not getting adequate volume, or Chicago General Agencies having company franchises for Illinois, but not getting enough acceptable volume from down-state or Company or Companies, not now in Illinois, desiring to enter. Our record of performance over the years, both from a volume and profit standpoint is excellent and available to interested acceptable companies. (Stock Only). Small well-managed stock companies will be considered, as we like to grow with growing companies. If interested, write to W. A. Schickedanz, Pres. & Gen. Mgr., W. A. Schickedanz Agency, Inc., 10A W. Washington, Belleville, Illinois.



Yes, we mean plural . . . because Agents have two winners in Hawkeye Casualty Company and Security Fire Insurance Company. These two Companies are a hard hitting combination that build sales for Agents. They work closely with Agents. . . Field Representatives are available to help in any way. Underwriting and Claim Departments work quickly and efficiently. With Hawkeye and Security, you have COMPLETE Casualty and Fire coverages to offer your clients. You'll find it profitable to do business with

HAWKEYE CASUALTY Co.
DES MOINES 7, IOWA
SECURITY FIRE Ins. Co.
DAVENPORT, IOWA

Cryer Philae

New of Health Assn. the annual Cryer, T. D. Black, Richard J. vice-president Life, treasurer Lumbian N. secretary; Co., record elected are: Studenmund F. Smiths America, Walsh's S. Speaker

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ACCIDENT AND HEALTH

Cryer New Head of Philadelphia Assn.

New officers of the Accident & Health Assn. of Philadelphia elected at the annual meeting are: James M. Cryer, Travelers, president; Raymond D. Black, Aetna, 1st vice - president; Richard Jackson, Globe Indemnity, 2nd vice-president; John Marvin, Occidental Life, treasurer; Clarence H. Carr, Columbian National Life, corresponding secretary; Robert Strayer, Mather & Co., recording secretary. New directors elected are: Irwin Moll, Travelers; M. F. Stuenkel, Pacific Mutual Life; John F. Smithson, Jr., Indemnity of North America, and M. J. Parry, Daniel J. Walsh's Sons.

Speaker was Walter F. Matthews, former Pennsylvania commissioner of motor vehicles and head of Philadelphia Safety Council, whose topic was "Safety A Community Responsibility."

Mr. Matthews stated that every third child who died during 1946 was killed in a needless accident and more attention should be paid to the lower age group. All age groups showed an increase in fatalities except those in the 5-14 year old bracket. This was due to safety education in schools, and this class actually showed a decrease of 8% during 1946; however, 17 children in this same bracket are killed every day in spite of the decrease.

Accidents in Philadelphia cost hospitals \$800,000 a year. Only \$200,000 of this came from patients, so the difference must come from the taxpayers.

John Marshall Ins. Co. Awakens Doctors' Interest

The magazine "Medical Economics" carries an article boosting John Marshall Ins. Co. of Chicago under the caption "Health Insurance—A New Package."

This article credits John Marshall with offering a "uniform national contract" which is designed to appeal to national employers impatient with variations from state to state in non-profit plans. Also John Marshall is credited as being the only commercial insurer that uses the service principle of paying for semi-private hospital care bills in full with no cash limitation. It covers chronic and pre-existing conditions, tuberculosis and nervous and mental diseases. Mention is made of the fact that John R. Mannix, president of John Marshall, is a former Blue Cross leader as are many of those associated with him.

Mr. Mannix was quoted as saying that non-profit health insurance has restricted its scope unnecessarily. It is making needless demands on doctors, hospitals and the public. Also he said there is a serious gap between local and national plans.

According to this article, John Marshall started selling contracts last Dec. 1 and its objective is an enrollment of 200,000 by the end of this year.

John Marshall expects soon to cover dental care and provide cash indemnity features. According to the article, four state medical societies are now pondering whether to sponsor the health care plan of John Marshall.

Three Managers Created by Great Amer. Reserve

Great American Reserve has promoted Bob Bourdene to manager of the Dallas group and franchise agency, Robert T. Kavanaugh to manager of the south Texas group and franchise agency, and L. Price Erickson to manager of the Oklahoma and north Texas group and franchise agency.

Mr. Bourdene has been specializing

in group and franchise life insurance and wrote approximately \$500,000 in his first month in the business. Mr. Erickson and Mr. Kavanaugh specialize in group hospitalization and surgical insurance and wrote a comparable premium income.

Mr. Bourdene formerly was regional manager of the National Assn. of Manufacturers at Dallas. Mr. Kavanaugh was connected with H. J. Heinz Co. in Pittsburgh, and Mr. Erickson was with the Great West Food Co. prior to entering the army, after which service he became connected with Great American Reserve.

New Mass. Law Permits Cities to Buy Athletic Cover

An amendment to the Massachusetts general laws, signed by Governor Bradford, permits cities and towns of the state to provide insurance for payment of medical, hospital and surgical expenses for injuries incurred by public school students participating in athletics. Previously, athletic associations or

school athletic departments were liable for such payments.

The Medford school committee has voted to accept bids from companies willing to write high school male and female athletes under a general policy.

Hocker and Hohaus Are on Claim Convention Card

Plans have been completed for the business program of the convention at Swampscott, Mass., Sept. 15-17 of International Claim Assn. Lon Hocker of Jones, Hocker, Gladney & Grand, St. Louis, will discuss current problems and trend of decisions in the field of disability coverage, and R. A. Hohaus, actuary of Metropolitan Life will analyze recent developments in the field of hospitalization and medical insurance.

Propose Milwaukee Plan

MILWAUKEE—Proposals that the city of Milwaukee pay the cost of surgical care and Blue Cross insurance for all city employees and their families and to the county board of supervisors for a similar plan, have been submitted by the United Public Workers of America, CIO union.

The union business agent pointed out

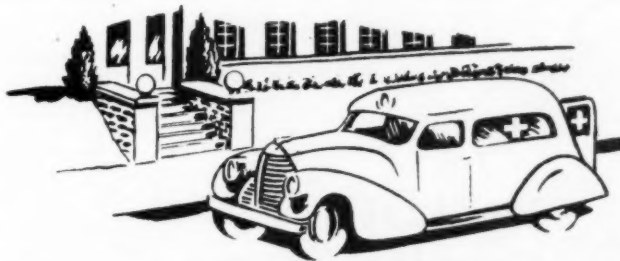
the trend in industry is toward payment for such insurance by employers. He estimated the cost would equal a 1-cent an hour wage increase for each employee. The cost to the city for all 6,000 employees would be about \$180,000 a year, according to the comptroller's office. Aldermen plan to survey the situation relative to legality of the city paying the premium. The county board has not acted as yet.

Managers Meet in Dallas

Great American Reserve of Dallas held a branch managers meeting for two days at which plans were outlined for recruiting new salesmen. The company has a goal of securing 50 new men and having them in production by Sept. 1. The company heretofore has depended on traveling men exclusively for business, but under the new plan will appoint local men.

May Transfer "Week" Funds

Members of the general committee in charge of Accident & Health Insurance Week when that activity was suspended a number of years ago have been circularized in regard to a proposal to transfer the funds that were on hand when its work was discontinued to the re-



3-Way HOSPITAL PLAN for individuals or family groups

- **PAYS** For both accident and sickness—in any hospital in the United States, Canada, or Mexico.
- **PAYS** Surgeon's fees—all operations covered. Surgery in hospital not required.
- **PAYS** Extra for miscellaneous hospital expense. Maternity benefits on family plan. Medical care (physician's fees) can be covered at the applicant's option.

AND IS PAYING hundreds of agents and brokers who are finding our Preparedness Line the most saleable hospital policies on the market today!



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

CHATTANOOGA

Our 60th Anniversary Year

cently organized Disability Insurance Joint Committee, representing the National Assn. of Accident & Health Underwriters and company groups. That committee has plans under way to make a survey of sales potentialities in the accident and health field and it is suggested that these funds be used for that purpose. No opposition to the carrying out of this proposal is expected.

Names A. A. Karduna

Union Casualty of New York has appointed A. A. Karduna, formerly with Mutual Benefit Health & Accident and United Benefit Life, general agent in Brooklyn and Long Island. Union Casualty, which has been writing accident and health group business, is now entering the individual field with A. & H.,

hospital and surgical policies. The Karduna agency has offices at 111 Court street, Brooklyn.

New Jersey Joint Outing

NEWARK—New Jersey Accident & Health Assn. and New Jersey Women's Accident & Health Insurance Assn. held a joint outing at the Crestmont Golf Club.

Golf was the principal attraction in the afternoon for both men and women with a dinner, entertainment and dance in the evening.

H. H. Moore of the James C. Greene Co., adjusters, has transferred his operations from Fayetteville, N. C., to Raleigh. Mr. Moore formerly was for several years manager of Underwriters Adjusting at Chicago.

CHANGES IN CASUALTY FIELD

Jensen Retiring After 41 Years with Maryland

Holger Jensen, founder of the engineers division of Maryland Casualty and for 34 years its director, will retire July 31, after 41 years with the company. He will be succeeded by T. B. McMath, who will have the title of director of the boiler and accident prevention division.

One of the best known safety engineers in the country, Mr. Jensen helped organize the National Safety Council and was a charter member of the American Assn. of Safety Engineers.

He came to America from Denmark at the age of 15. He joined Maryland as a boiler inspector at Pittsburgh in 1906, and went to the home office in 1913 to organize a safety engineering department.

He assisted in 1913 in compiling the first booklet written on safety standards for industry, and pioneered in promoting safety in truck fleet operations. His plan developed in 1924 was widely adopted by companies and safety councils.

Mr. Jensen has served on the engineering and project committee of the National Conservation Bureau for more than 25 years and is a member of nearly all the national safety engineering organizations in the United States.

Mr. McMath is a graduate of Purdue University school of civil engineering. He started with Maryland as a safety engineer, later being assigned to boiler and machinery production, and was made assistant manager of the department in 1942.

Wilson and Noel Become Cal. Special Agents

LOS ANGELES—Hartford Accident's southern California department has promoted John R. Wilson and Jack W. Noel, associates in the office here, to special agents.

Mr. Wilson joined the Hartford in 1946 following discharge from the navy as a lieutenant commander, and has been undergoing intensive training in fidelity and surety. Primarily he will service metropolitan Los Angeles.

Mr. Noel also joined Hartford in 1946 following return from the army, and supplemented his pre-war experience as a bonding underwriter for other companies with Hartford's intensive training. He primarily will service agents in southern California.

Frost Succeeds Mrs deGanna

Mrs. Fannie deGanna, cashier in the home office of Pacific Employers, has been retired by the company after long years of service. Don Frost has been named her successor.

Carlson Named Assistant

Fidelity & Deposit has appointed Robert Carlson, Los Angeles attorney, assistant to Robert Hecht, assistant manager, in the judicial department of the Los Angeles office.

Hunt Is District Agent

Horace H. Hunt of Buffalo has been appointed resident district agent for Chautauqua county by the Charles F. Joyce Co., Buffalo general agent for Continental Casualty and its affiliates, and will have his office at 121 North Main Street, Jamestown, N. Y.

Eibler Named at Fresno

Donald B. Eibler has been appointed special agent at Fresno for Great American Indemnity, a field he traveled for another company a few

years ago. He also has been in the local agency business for several years. He will travel the San Joaquin Valley.

Murphy Succeeds Aston

Ross Murphy, former supervising underwriter in the home offices of Central Surety, has arrived in San Francisco as assistant manager of the Pacific Coast department. He succeeds Thomas G. Aston, Jr., who now is in the local agency business at Oakland.

Howe Special at Newark

NEWARK—Maryland Casualty has appointed Edmund Howe special agent in northern New Jersey to work out of the Newark office. Prior to entering insurance he served with honors in the armed forces as a pilot.

Kuenzinger to Denver

Special Agent Frank J. Kuenzinger of Hartford Accident has been transferred to Denver to travel Colorado, Wyoming and New Mexico. He has been associated with Hartford Accident since 1929, starting at Chicago. In recent years he has been special agent in Iowa. He is a navy veteran.

SURETY

Two Large Bonds Are Written in West

LOS ANGELES—David G. Gordon of Denver and Bressi & Bevanda Constructors, Los Angeles, as joint venturers were low bidders for construction of the Olympus dam in the Colorado-Big Thompson project near Estes Park, Colo. Price was \$1,335,157 on schedule 1 and \$40,322 on schedule 2. Hartford Accident was on the bid bond and will execute the performance bond.

Vinnell Co. has been awarded contract for construction of the Jackson Gulch dam on the Mancos project, Colo., at a bid of \$1,925,904. Hartford Accident has executed the bond.

Continental's Big Bond

Continental Casualty has written a \$2,600,000 bond for Crown Institutional Equipment Co., which will furnish furniture for military camps all over the country.

Apology for Too Many S

The article in the June 12 issue of The National Underwriter announcing changes in the bankers liability indemnity bond contained a rash of dollar signs. They were erroneously inserted in front of the number of accounts to be considered in the computation of the additional charges for the bond. The portion of the article explaining this computation should have read: To this basic charge is added a rate per 1000 for each block of accounts over the first 10,000. There is no charge for the first 10,000, the next 15,000 runs \$3.30 per 1000 and the next 75,000 at \$3 per 1000. All accounts in excess of 100,000 are charged at the rate of \$1 per 1000. In the reference to bonds issued covering both checking and savings accounts, the additional charge should have read: Made for savings accounts at a rate per 1,000 savings accounts.

COMPENSATION

Pa. O. D. Bill Is Passed

HARRISBURG—The house has passed finally and sent to Gov. Duff the senate-approved bill revising payment liability of Pennsylvania's occupational disease law by freezing the current 70-30 ratio under which employers pay 70% and the state 30% of the OD benefits.

A BLANKET MEDICAL POLICY for ATHLETIC TEAMS!

COVERING

Athletic Injury Expense

for
Medical Hospital, Nurse and Miscellaneous Services

COMPLETE Unallocated BLANKET BENEFITS UP TO \$500.00 EACH INJURY

FOR STUDENT, AMATEUR, and SEMI-PROFESSIONAL TEAMS!

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21
SPORTS

Summer is here! The need for complete Athletic Team Insurance is greater than ever! Accidents happen easily . . . while travelling or practising as a team to and from games, falls in a slippery shower room, spike wounds, cleat bruises, etc.

All student, amateur and semi-professional players, both men and women, are eligible!

New low team rates available! WRITE FOR FULL DETAILS NOW!

AMERICAN PROGRESSIVE HEALTH INSURANCE CO. of N.Y.

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A STOCK COMPANY
COrtlandt 7-6895

NEW YORK 6, N. Y.

**GENERAL CASUALTY LINES
AUTOMOBILE
HOSPITALIZATION — SURGICAL — A. & H.
A FEW CHOICE OPPORTUNITIES
IN OHIO**

for agencies to represent this substantial Stock Casualty Company, offering the unusual in prompt and efficient underwriting and claim service.

SECURED CASUALTY INSURANCE COMPANY
705 K. OF P. BUILDING INDIANAPOLIS, INDIANA

As original provided for at a 50-50 split after 1949 the full

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ST. PAUL the state o proposals tion rating sation rate creased ben law. Spok the propos be handed last legis compensati benefits fro maximum Burial and sions also

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As originally enacted in 1939 the law provided for gradual reduction, starting at a 50-50 division and graduating until after 1949 the employer would be paying the full amount of compensation.

Hear Plea for 4.7% Rate Rise

ST. PAUL —A hearing was held at the state office building June 24 on the proposals of the Minnesota compensation rating bureau to increase compensation rates 4.7% to take care of increased benefits under a new Minnesota law. Spokesmen for employers opposed the proposals. A decision is expected to be handed down later this month. The last legislature (1947) liberalized the compensation act by raising minimum benefits from \$10 to \$13.50 a week and maximum from \$24 to \$27 a week. Burial and permanent disability provisions also were liberalized.

Forum Hears Kearney

John Davidson of Joy & Davidson, brokers, president Insurance Forum of Los Angeles, at the regular meeting presented Robert McWilliams, attorney and past president of the forum, an engraved gavel as an expression of the forum's appreciation for his work as president. J. L. Kearney, compensation attorney, Kearney, McCarthy & Scott, spoke on "New Compensation Legislation." It was Mr. Kearney's opinion rates would rise soon because of contemplated changes in the act, more liberal administration by the industrial accident commission and changes in the schedule for medical fees.

PERSONALS

Walter F. Kraftt, vice-president of Continental Casualty in charge of the surety department, who has been at the hospital at Hinsdale, Ill., suffering from a severe attack of pneumonia, is now at his home at Western Springs, Ill. He will not be able to take up his work for a month.

Michael L. Daly, Travelers underwriter, is one of four members of a redevelopment agency named by Mayor Allen of Hartford to undertake a major housing program, using a combination of city and private funds to supply homes for veterans at moderate rents. The mayor proposes to build 500 or more houses of a permanent nature in a park-like community in the Granby street section of northwest Hartford.

DEATHS

Frank A. Goodwin, 72, for two terms totaling 17 years registrar of motor vehicles in Massachusetts and a leading advocate of putting the state into the insurance business, died at his summer home at Fairhaven, Mass. He was a strong advocate of highway safety.

Charles Ehrenfeld, 83, for many years Youngstown, O., representative of National Casualty, died.

Joe W. Downs, 37, newly appointed office manager and underwriter at the Albany, N. Y., branch of Employers Mutuals of Wausau, was killed while driving from New York to Albany. A native of Mayview, Mo., Downs was employed by J. C. Penney Co., prior to joining Employers Mutuals in 1938. He was office manager at Chicago before seeing service with the artillery in Europe. T. A. Duckworth, personnel director for the company, accompanied the body to Marshall, Mo.

Up Ill. Wrongful Death Limit to \$15,000

The bill to increase the maximum recovery for wrongful death in Illinois from \$10,000 to \$15,000 has now passed both houses of the legislature, and it is taken for granted that it will be signed by the governor. The bill as originally

introduced was to up the limit to \$25,000, but in the course of the deliberations, a compromise of \$15,000 was agreed upon. This, it is expected, will prompt agents to see to it that their assured carry higher limits of liability under automobile and other public liability contracts.

A bill in the Illinois legislature that is still regarded as something of a threat, even though the days of the session are drawing rapidly to a close, is the one to assess the cost of the automobile financial responsibility law on automobile insurers. This measure was knocked off the calendar twice, but it got back in the house a third time and is now on third reading there.

Name J. R. Harper Casualty Rate Expert in Arkansas

LITTLE ROCK—James R. Harper has been named casualty rate expert for the Arkansas department.

Mr. Harper has been with Service Insurance & Realty Co., a North Little Rock local agency. Previously, he was casualty underwriter for W. M. Apple & Co., Little Rock general agents. During the war he was a captain in combat engineering corps.

The newly created position of "fire rating expert" has not yet been filled.

Injured Agent Is Ruled Under Compensation Act

The Ohio supreme court has held that an insurance agent working on industrial insurance who is injured while collecting on his debit, is an employee of the insurance company and not an independent contractor and is entitled to workmen's compensation. The opinion was handed down in a case of the state against American Life & Accident.

Wis. Adjusters Elect

MILWAUKEE—The Casualty Adjusters Assn. of Wisconsin held its annual golf tournament and dinner meeting at North Shore Country Club with about 100 adjusters and claim managers playing golf and nearly 150 attending the dinner.

New officers elected are: O. B. Sullivan, Aetna Casualty, president, succeeding W. L. Billings, Hardware Mutual Casualty; F. G. Berry, London Guarantee, vice-president, and C. A. Christensen, Hardware Mutual Casualty, secretary-treasurer.

Hartford Men Are Named

James F. Keating, assistant secretary of Hartford Accident, has been named second vice-president of the Sales Executives Club of Hartford. W. Dorsey Endres, vice-president Billings & Spencer Co., was named president, succeeding Frank S. Townsend, manager of the Allen, Russell & Allen agency of Connecticut General. Among directors chosen for three years is Roy L. Fosbrink, Aetna Casualty.

Fink Succeeds Coen as Head of Security Mutual

Joseph R. Fink has been elected president and general manager of Security Mutual Casualty to succeed Thomas M. Coen who is retiring. John R. Kitch steps into Mr. Fink's post as vice-president and will continue as secretary. William F. Hendricks, assistant secretary, will fill the directorship vacated by Mr. Coen.

Mr. Coen has been with the company since its organization in 1913 as attorney, assistant secretary and vice-president, taking his present post in 1941. Mr. Fink joined the company in 1919 as office and claims manager and has been vice-president in charge of underwriting since 1941. Mr. Kitch went with the company in 1927 as trial attorney and became secretary in 1942.

Kirkland Agency has been incorporated in Kirkland, Wash., by W. H. Beardsley, F. M. Beardsley and Gordon McNulty.

THE
WESTERN SURETY COMPANY
OFFERS YOU IT'S 47 YEARS
OF SURETY BOND
EXPERIENCE . . .



1. CONVENIENT ORDER BLANKS
2. A COMPLETE BOND MANUAL WHICH CONTAINS A DESCRIPTION OF THE VARIOUS BOND CLASSES
3. PADDED BOND FORMS

We wish to thank the agents now representing us for the loyal support they have continually given us. If you do not represent us now, why not join them?

WESTERN SURETY COMPANY

ONE OF AMERICA'S OLDEST BONDING COMPANIES
CHICAGO - SIOUX FALLS - KANSAS CITY



Gilbert Knight New President

(CONTINUED FROM PAGE 17)

ards of agency production. The change will not affect those who have qualified previously and desire to go ahead with the five years of qualification required for life membership.

The women's division reelected Myrtle B. Quinn, Continental Mutual H. & A., Denver, as chairman, and named Josephine M. Gaskill, Loyalty group, Newark, as vice-chairman. Miss Gaskill received the first prize for bringing in the largest number of new members, 31, and Margaret Haskell, Loyalty group, Chicago, was second with 23.

Brief talks were made by the chairman and vice-chairman; Ethel Smith, Great Northern Life, Cleveland; Elsie B. Mayer, Denver, organizer and first president of the National Assn. of Insurance Women, and O. J. Breidenbaugh, executive secretary of the National association.

A resolution urging passage of the Hawkes bill, S. 670, and the Howell bill, HR. 3150, was adopted at the first session after E. H. O'Connor, Insurance Economics Society, had outlined the situation in Washington in connection with the Crosser bill repeal. He reviewed the effect of the Crosser bill on the accident and health business and the nation's economy and said that its "discriminatory treatment of one class

of employees sets a vicious pattern which complicates the future of the social security program." He also pointed out that private companies now have 950,000 of the 1,350,000 insured, providing sickness and accident benefits, and a large percentage of the employees also have hospitalization and surgical benefits for themselves and their dependents.

Commissioner Harrington of Massachusetts in his talk at the opening session said accident and health men should be justly proud of the accomplishments of their business, but that they must be sure it is conducted with full regard for the interests of policyholders and their beneficiaries, so as to combat successfully the encroachment of government in the field of insurance, of which he cited the Crosser bill as an example.

He referred to certain practices in the accident and health field, to suggest that: "You determine the extent to which such practices prevail in your business." He said accident and health companies are entitled to a reasonable profit but should be concerned about forms which produce an excessive profit. Conversely, in the interest of solvency, inadequate premiums should be adjusted. He criticized a practice which he referred to as "underwriting the business when a claim is reported," where a policy is issued without investigation of statements in the application but if any inaccuracy is discovered, the question is raised at the time of claim.

He said the general acceptance of group insurance has done much to overcome sales resistance and questioned whether agents are following up the sales opportunities it presents as thoroughly as they should. He also urged, in view of the temporary nature of group insurance, consideration of ways and means of continuing insurance sold on a wholesale basis.

Knight Veteran in Business

Gilbert H. Knight, Federal Life & Casualty, Cleveland, who takes over the helm of the National Association, operates one of the largest agencies in the country in point of premium volume. In addition to his business in Cleveland, he has charge of the sale in many states of special policies which he designed himself. During the depression years of the 1930's he made a record of 140 consecutive monthly increases in business and premiums in force. Born and educated in England, he entered insurance work in Canada at the age of 18. After much field and home office experience in both accident and health and life fields, he started building his present agency in Cleveland in 1924.

Mr. Knight always has been interested in association work. In 1913 he helped form the Cleveland Accident & Health Club, the first of its kind in the United States, which has met regularly for 34 years. He also has been active in the National association for many years. He has been in great demand as a speaker and is the author of a book "You Too Can Sell Insurance — If", which has had a heavy sale and is very highly regarded.

Smith Lauds New Constitution

R. B. Smith, Great Northern Life, Oklahoma City, retiring president, in his address at the opening session gave special praise to the committee which prepared the new streamlined constitution. He emphasized that it eliminates all possibility of any one group of past officers ever constituting a bloc or faction that could control the association and also provides that no particular group could ever legislate the affairs of the association or elect officers by a proxy system. It is also felt that a mid-year meeting is no longer necessary and in its place it is recommended that state or regional sales congresses be held at strategic points.

Mr. Smith emphasized the importance

of public relations and cited the recent comment of Commissioner Kavanaugh of Colorado that the only kind of public relations job he understands is a company that pays its claims justly and promptly every day. He questioned whether there is any other business that has the facilities for exerting sound influence on the public that personal insurance has.

Educational Activity Increased

He commented especially on the increased educational activity of the association and said that when the Purdue accident and health course was first started there were many who were skeptical, dubious, and questioned either the necessity or the possible results. The fact that the course has now been put on at state universities in California, Michigan and Utah is evidence of the expanded need and desire for this training.

He mentioned the organization of new associations at Grand Rapids, Waco, Tex., and New Orleans, and state associations in Florida, New Mexico, Rhode Island, and the New Jersey Womens Association. Associations in Washington, D. C. and Houston, Tex., which had to suspend during the war due to their inability to obtain meeting places, have been reactivated. Just last week Mr. Smith made a trip to Canada where he aided local men there in laying the groundwork for the first Canadian association.

In his recommendations for the coming year, Mr. Smith urged that more emphasis be placed on the activities of the Leading Producers Round Table. The speakers bureau is now in a position for the first time to provide any kind of program, speaker, or group of speakers which may be needed for a sales conference or association meeting.

He stressed very strongly the importance of placing producing agents on the board or executive committee of local associations and said the National association also wants to encourage the election of soliciting agents as association officers.

Field Men Point of Impact

The part that the field men, individually as well as collectively, can and should play in public relations work for accident and health insurance was outlined by Clyde W. Young, president of Monarch Life, speaking on "The Importance of YOU."

"All most people know about our industry is that we charge so many dollars for an impressive contract containing a lot of words which I am fearful many of them do not understand, and from which when a claim is entered, surprisingly enough most of them receive just about what they hoped to get, and in some cases a little more. But they do not know what it is that makes our business tick. They do not know the value of your services, and they do not understand the basic fundamentals of what they are buying, or how what they have bought works for them and

for the good of our economy. If they did, there would be absolutely no support whatever for the various schemes which are now being presented to reduce large sections of our industry to government control and monopoly.

"Nowhere does the burden of solving this problem rest more heavily than upon your shoulders because you are the point of impact. You are the perpetual exemplification of the industry you represent. You have the power to make or break the public good will which is so anxiously sought after.

Have Twofold Mission

"You are in the front line—the spearhead—whose mission must always be twofold: First, to sell an ever-growing volume of quality protection to as many of our citizens as possible. Second, to satisfy the public yearning for full information and advice about the quality service you sell so that they will always be alive to how much your service means to them and their dependents."

Mr. Young lauded the public relations program of the National association and pledged the full support of the companies in the Health & Accident Underwriters Conference.

"You as individuals, and I speak to all of you in the association whether you are present at this gathering or not, can be of inestimable service in the application of our mutual program," he said. "You can apply it where it will do the most lasting good and you can guide its application into those channels where it will be most effective. Equally important, you can grasp errors in application in the very beginning and you can suggest changes which will benefit and improve the over-all program itself. This is a most important aspect because changes will undoubtedly be made and improvements most certainly should come with the passage of time. From what better source could they originate than with you who stand in closest contact with our problems?"

Union Makes Safety Film

In what the Union describes as the first safety movie ever paid for and produced by a union for an industry, local B-1031, International Brotherhood of Electrical Workers, AFL, Chicago, recently gave a premiere of its film short, "Don't Be A Sucker." The 14 minute film shows the consequence of carelessness on the job. It strips aside the common fallacy among workers that they can sue their employer for huge sums as a result of injury on one of his machines. It shows how the worker, injured as the result of his own carelessness, has only the relatively small sums of workmen's compensation to keep him going and is often unable to get a job elsewhere, because of his bad record with union and employer. The film is being shown on request.

Directors of American Fidelity & Casualty have declared a quarterly dividend of 15 cents per share, payable July 10 to stockholders of record June 30.

WANT ADS

WANTED CASUALTY MANAGER

Progressive Middle Western insurance company needs a man with 10 to 15 years broad casualty insurance experience to manage Casualty Division of the Company.

The man we are looking for is between the ages of 32-40.

Mutual casualty company experience preferred but not essential. He must be well grounded in all casualty company operations and have executive ability. Here is a real opportunity for the right man.

Home Office of the Company is located in moderate sized city in the Middle West. If you are interested in this job, write and give us your qualifications and the salary you expect. Replies will be held confidential. Address M-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Kansas City, Missouri agency desires young man under 30 with at least 3 years casualty underwriting experience to service and develop present accounts. Excellent opportunity for advancement. Give full details as to experience and salary. Replies will be held confidential. Address M-24, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Have opening offering excellent opportunity for assistant bond underwriter with large aggressive General Agency in the Southwest. In answering give particulars, past experience, age and salary expected. Address M-29, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

A large all line casualty company has excellent opportunity for Special Agent in the Rocky Mountain territory, with headquarters in Denver. Applicant must be successful producer. State full details concerning experience, age, and qualifications. Reply will be held confidential and should be addressed to Great American Indemnity Company, 175 W. Jackson Blvd., A-1124, Chicago 4, Illinois.

OPPORTUNITY — DETROIT OFFICE — SALES WANTED

Experienced insurance salesman. Age: 28-38. Salary and bonus. See Mr. Williams, American Mutual, 28 West Adams, Phone Cadillac 1090.



under which operating.

When the program for 1947 was introduced, he substantiated previous years in this class. From an average of \$100 of income to \$2, \$1,500 of revenue progressed. The winners were trucking business. The time the men fell off the business faced the new and decreed truckmen.

What is at this point important on the conditions, and carry insurance. Unless the market elsewhere.

Must Prove

"If we and private the insurance solution able to be owned and business desired protection he said. "suggested for conference sure that the elements for no solve it."

In order may be producer and sized knowledge. Neither concept to have way as the automobile in safety tion service in the h required by line success something problem of unfortunate intervals truckman.

It has would more insured by other factors produce the pressing problem writer is which turn risk into on the basis sibly for drives the sibly out.

Plan for

Mr. S taking from truckmen tion to be trophe local practical company done better questions ploration serve is by the truckmen will not has made company pressure is exposed has had

New England Agents Hold Parley

(CONTINUED FROM PAGE 18)

under which many truckers now are operating.

When the present zone rating program for long-haul trucking was introduced, he said, zone rates reflected the substantial underwriting losses of previous years. Then companies specializing in this class started to reduce rates. From an earnings rate of \$4 to \$5 per \$100 of income the rates went down to \$2, \$1.50, and even as low as \$1 per \$100 of revenue for liability. As the war progressed accidents increased and insurers were hard pressed to handle trucking business. At about the same time the revenue of the long-haul truckmen fell off. Almost overnight the business faced increasing losses, and therefore the need for higher insurance rates, and decreasing income on the part of truckmen.

What is to be done about the problem at this point? The line is a very important one, with premiums in the millions, and truckers are compelled to carry insurance by state or federal law. Unless the insurance companies provide the market, a market will be developed elsewhere.

Must Provide Facilities

"If we believe in private initiative and private enterprise, then it is up to the insurance business to offer a practical solution so that truckmen will be able to buy insurance with privately owned and managed companies and the business of insurance provide the desired protection at reasonable profit," he said. "Your National association has suggested that this is a proper subject for conference. I fully agree, and I am sure that by jointly analyzing the problem and exploring the various possibilities for meeting it, we will be able to solve it."

In order that this class of business may be properly handled, both the producer and companies must have specialized knowledge and facilities, he said. Neither company nor producer can expect to handle this business in the same way as they handle the run-of-the-mill automobile business. Expert knowledge in safety work, engineering and inspection service, and specialized knowledge in the handling of claims are all required by those who hope to handle the line successfully. In addition to that, something must be done to meet the problem of the catastrophe loss, which unfortunately occurs at almost regular intervals in the case of practically any truckman of any size.

It has been suggested that a pool would meet this problem, but whether insured by an individual or by a pool, other factors being equal, they will produce the same loss record. The distressing part of this record to the underwriter is the inevitable catastrophe loss which turns what appeared to be a good risk into an unprofitable one, not only on the basis of its past record, but possibly for several years to come. This drives the insurer off the risk and possibly out of the field entirely.

Plan for Catastrophe Losses Needed

Mr. Spottke urged some plan for taking from the premium paid by the truckmen each year a sizable proportion to build up a fund for the catastrophe loss. Whether it is sound and practical to do this on an individual company basis or whether it can be done better on a group or pool basis are questions that will require careful exploration. But if this catastrophe reserve is taken out of the premium paid by the truckmen each year, and the truckmen realizes the purpose of it, he will not erroneously think the insurer has made an inordinate profit, and the company will not be subjected to the pressure to which the entire premium is exposed today when the truckman has had what he believes to be remark-

ably good experience.

The adjustment of the premium from year to year will be much more nominal, and the company, or possibly the pool will be able to build up a fund for the catastrophe loss. When that loss does occur it will be provided for without the shock which it causes today. The shock is felt today despite reinsurance. The solution must involve a recognition of this condition and ample provision for meeting it on a sound basis.

Producers are said to be experiencing difficulty in obtaining a market for automobile business generally, he added. The Bureau has received copies of resolutions recently adopted by state associations exhorting the conference companies to provide a market. These resolutions will receive careful consideration, he said, but suggested that copies also be directed to independent companies, especially those which have in the past been writing their business at rate deviations. These companies have been doing more tightening up than the so-called conference insurers, and it would be well now to remind such companies of the difficulties which producers are experiencing in taking care of their accounts, and ask them to show some consideration.

Package Policies

The field of specialty policies, or package policies, affords opportunity for study. He mentioned policies designed to fit certain classes of risks, such as small stores, hotels, department stores, and manufacturing plants; policies which will afford complete casualty coverage, all at a single rate applied against a single measure of exposure. The exposure might be measured in terms of payroll, or dollars of sales, or number of units manufactured or sold. The premium basis must be a true measure of the exposure, but it should also fit into the practices of insured. It should be convenient for insured, and therefore easy for the company to audit.

The development of specialty or package policies is without a question one of the biggest opportunities which the business now has for serving the public by producing the best possible product, namely, sound and complete protection, at a fair price. This is a field in which conferences between producers, companies and rating organization representatives will offer great possibilities.

SWAMPSCOTT NOTES

E. Shepley Paul, Auburn, Me., chairman of the New England Advisory Board, presided at all the sessions at the New Ocean House at Swampscott.

With all its members present the executive committee held a meeting at Swampscott for a day and a half following the close of the New England agents meeting.

There were 440 registered at the meeting.

The reception sponsored by Amerlea Fore proved a delightful and popular affair.

Among the company officials who attended the meeting were F. Elmer Sammons, president, and Ben S. McKee, vice-president, Hanover Fire. Mr. McKee had attended the Eastern Underwriters Assn. meeting at Manchester, Vt., a few days previously.

Another who was present at the E.U.A. meeting and came to Swampscott was Forrest H. Witmeyer, Syracuse, president Excelsior. Charles H. Watkins, Boston, chairman of Excelsior, was also on hand.

Springfield was represented by Fred R. Steele, secretary, and New England Casualty by Dewey W. Neece, secretary.

J. Louis Ivison, vice-president and Raymond C. Dreher, advertising manager of Boston and Old Colony, were among the visitors.

Stowe Wilder, Portsmouth, N. H., was first prize winner of agents' low gross in the golf tournament.

The horseshoe pitching first prize winner was Vincent M. Wilson, Providence,

assistant secretary Providence-Washington.

Mrs. Arthur J. Rouillard, Manchester, N. H., won first prize at bridge.

Rhode Island added 62 members to its roster last year, while Connecticut increased its membership by 44.

It was stated that 13 members of the standing committees of the National Assn. of Insurance Agents are from the New England states.

Carleton I. Fisher, Providence, was chairman of the program and speakers committee, Carroll K. Steele, Gloucester, headed the committee on registration and hotel arrangements, Harold D. Barnes, Pittsfield, reception, Robert S. Preston, Providence, sports contests and prizes, and Edward S. Pike, Rutland, publicity, printing, invitations and badges.

James R. Graham, New York manager U. S. Aviation Underwriters, Mrs. Graham, W. J. Van Hoven, assistant manager and Charles Palmer, New England representative, were among the guests at the meeting.

The Boston "Herald" was distributed at the meeting by Fidelity & Deposit.

S. F. Withe, Hartford, advertising and publicity manager Aetna Casualty, and E. G. Eppler, safety education department made the trip to Swampscott. Mr. Eppler had charge of the new Aetna "Driverometer" which was set up in the lobby of the hotel, and attracted many persons.

Hear New Cal. Plan June 26

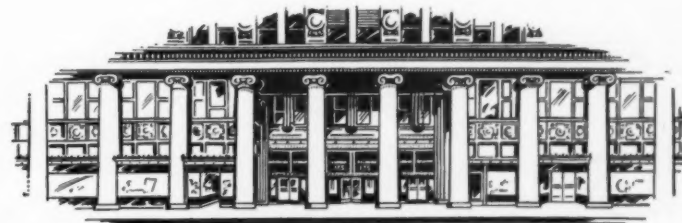
Commissioner Downey has called a public hearing to consider a proposed new assigned risk plan to operate under a new law, for June 26 in San Francisco. At that time a plan arranged by the governing committee of the old voluntary plan will be presented and it will then be up to the commissioner to approve and notify all companies that it is effective, or disapprove and call for further suggestions.

Under the new law all companies writing automobile insurance in the state are to come under the plan which will control fictitious fleets and varied other problems which the old plan did not attempt to control.

New Use & Occupancy Claim

A company received a claim under a business interruption policy from a man whose business place was flooded. The agent notified him that the policy did not cover that contingency. The assured was very wrought over the agent's position and stated that certainly if anything had interrupted his business, this flood had done it.

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Underwriters at Lloyd's now arrange coverage for architects to indemnify against claims made against the architect under contracts entered into during the term of the insurance due to alleged negligent acts, errors, or omissions committed by the assured in the professional conduct of his business as an architect.

Information given on request.

Trace Compensation Record

STOCK COMPANIES

	Underwriting Ratios		Expense Analysis		Claim exp. to earned	Acq. & fd. adm. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
	Net premiums written	Losses incurred to earned	Exp. (adj.)†	Net gain (adj.)†					
Accident & Cas.	\$ 999,007	\$ 949,665	53.7	25.5	9.1	21.7	11.3	2.6	4.1
Aetna Cas.	15,762,906	14,621,158	57.9	48.7	11.2	19.5	12.1	2.8	3.1
Am. Auto.	3,594,698	3,367,626	68.6	45.4	14.0	17.9	11.5	4.1	2.8
Am. Cas.	2,346,185	2,148,357	45.3	41.9	12.8	21.0	6.0	1.1	3.1
Am. Empl.	3,790,803	3,760,956	53.3	41.7	5.0	19.3	9.2	2.0	3.6
Am. Guar. & Liab.	213,277	211,345	20.7	44.1	35.2	18.2	6.0	3.0	2.9
Am. Motorists	2,741,070	2,729,525	54.6	25.4	20.0	18.2	7.1	5.6	2.0
Am. Policyholders	59,642	54,312	70.0	18.1	11.9	30.9	21.0	5.8	9.8
Am. Surety	1,981,811	1,940,851	59.3	51.3	10.6	20.2	16.4	2.0	3.4
Arex Indem.	314,150	298,795	58.4	33.6	8.0	10.6	8.3	1.6	3.8
Associated Ind.	6,255,632	5,899,566	51.3	31.3	17.4	13.9	3.8	3.1	2.8
Bankers Ind.	2,164,279	2,044,340	44.0	48.7	7.3	16.7	15.7	2.9	3.3
Car & General.	771,361	743,495	54.8	49.1	3.9	21.2	10.8	5.4	3.1
Cent. Sur.	2,158,880	2,053,880	50.0	42.2	7.8	21.2	8.2	1.1	2.9
Century Ind.	2,740,483	2,655,586	54.5	43.7	1.8	22.6	7.2	1.7	2.9
Citizens Cas.	124,839	121,993	50.9	45.5	3.6	20.6	8.4	1.3	2.6
Columbia Cas.	1,303,589	1,308,721	73.1	43.3	16.4	18.1	11.9	3.7	3.4
Commercial Cas.	759,416	729,853	41.0	45.5	13.5	7.2	21.0	11.7	1.9
Conn. Ind.	244,701	218,915	54.4	43.0	2.6	8.3	16.7	12.9	2.3
Continental Cas.	7,603,572	7,372,883	57.6	39.1	3.3	9.5	16.0	9.7	1.4
Eagle Ind.	1,885,544	1,885,544	58.6	42.4	1.0	9.7	16.5	9.5	1.8
Empl. Liab.	12,468,721	12,443,607	67.8	40.6	8.4	7.6	18.5	8.6	2.0
Fidelity & Cas.	10,057,080	10,057,080	58.0	39.2	2.8	18.0	6.8	1.4	3.2
Gen. Acc.	2,885,350	3,050,974	51.0	40.9	8.1	7.5	18.5	8.7	2.5
General Cas., Seattle.	5,601,177	5,488,344	57.2	40.6	2.2	10.7	18.3	7.2	1.3
Gen. Trans., C. & S.	668,716	650,203	37.3	37.3	7.6	8.2	15.8	7.1	2.6
Glens Falls Ind.	1,102,846	1,029,118	34.2	33.5	32.3	6.6	11.0	10.5	2.4
Globe Indem.	3,766,618	3,641,164	55.7	38.8	5.5	6.6	19.3	8.6	1.1
Great Am. Ind.	7,031,701	6,518,190	63.0	40.9	2.9	7.8	18.3	8.8	1.9
Hardware Ind.	3,602,813	3,658,383	58.0	46.4	11.4	19.7	10.3	1.5	3.5
Hartford Acc.	478,119	455,879	49.1	32.2	18.7	8.2	5.9	14.4	2.8
Home Ind.	19,801,449	19,193,735	59.5	38.3	2.2	8.8	15.8	8.6	1.9
Indem. N. A.	302,497	203,279	68.4	47.7	16.1	13.0	19.9	9.4	2.6
London Guar.	5,201,144	4,870,204	55.9	48.6	4.5	14.1	18.8	9.9	2.4
Lond. & Lanc. Ind.	3,910,430	3,805,159	60.7	40.9	1.6	8.1	16.0	12.2	1.8
Manufacturers' Cas.	1,109,974	1,040,043	56.8	41.0	2.2	8.1	17.6	10.2	1.9
Maryland Cas.	3,480,007	3,376,692	49.1	37.5	13.4	9.6	16.4	7.9	1.8
Mass. Bonding	10,383,606	10,579,288	57.0	37.6	5.4	7.3	21.5	6.7	2.6
Merchants Ind.	4,054,246	4,241,024	47.4	45.0	7.6	10.0	17.6	8.8	2.2
Metropolitan Cas.	103,110	97,184	84.6	26.6	11.2	5.3	5.1	7.7	0.8
National Cas.	560,186	524,307	39.8	46.4	13.8	8.2	16.2	12.3	3.1
National Surety	419,595	409,632	51.9	40.8	7.3	9.2	17.8	9.5	1.4
New Amst. Guar.	863,749	767,951	88.4	67.8	56.2	8.4	29.9	19.0	4.7
New Eng. Cas.	6,458,333	6,209,406	52.2	38.2	9.6	7.8	17.4	8.7	1.3
N. J. Manufacturers.	271,218	236,595	60.8	42.2	3.0	6.8	20.6	9.8	2.7
New York Cas.	7,708,832	7,442,154	58.4	41.5	30.1	4.2	15.5	3.5	1.0
Norwich Union Ind.	956,916	873,143	83.5	42.5	26.0	7.3	18.5	10.4	3.0
Ocean Acc.	59,799	55,736	25.9	41.9	32.2	5.9	19.1	9.8	2.2
Peerless Cas.	3,028,826	2,973,609	60.7	43.3	4.0	8.6	17.4	12.5	1.2
Penn. Cas.	256,662	227,523	71.6	39.5	11.1	6.0	24.5	7.2	1.1
Phoenix Ind.	135,902	221,225	39.9	95.2	35.1	9.9	49.5	24.0	6.7
Preferred Acc.	1,785,784	1,756,526	49.7	44.3	6.0	7.9	19.9	11.1	1.8
Protective Ind.	954,839	898,262	47.2	50.9	1.9	12.2	20.8	11.2	3.2
Royal Ind.	380,307	364,721	57.5	38.1	4.4	12.9	16.0	3.3	3.5
St. Paul Merc. Ind.	6,167,988	6,811,537	47.6	37.9	15.4	8.1	14.4	8.4	1.8
Seaboard Sur.	2,306,630	2,247,074	61.1	41.3	8.3	15.8	8.1	34.5	8.1
Standard Acc.	50,266	46,675	64.6	52.3	16.9	9.3	8.1	34.5	8.1
Standard S. & C.	6,581,270	6,430,521	51.9	39.6	6.5	7.9	18.1	9.2	1.8
Sun Indem.	1,271,427	1,196,943	51.3	41.1	7.6	8.8	22.8	5.2	1.4
Travelers Ind.	1,456,218	1,385,931	54.7	38.2	7.1	8.0	16.4	9.4	1.7
Travelers Nat. Ind.	3,169,881	3,481,933	66.9	37.7	4.6	9.0	16.3	7.6	2.1
United National Ind.	27,950,642	32,115,875	60.6	33.6	5.8	5.4	14.4	7.5	2.1
U. S. Cas.	177,767	125,067	93.8	67.1	60.9	14.7	20.8	21.6	6.2
U. S. F. & G.	3,391,405	3,128,210	57.1	40.8	2.1	10.8	17.0	7.0	2.4
U. S. Guarantee.	12,250,495	12,047,551	59.0	41.8	8.8	8.4	17.3	11.2	1.8
West. National Ind.	244,265	226,717	100.7	4.4	5.1	6.0	15.1	3.5	2.0
Yorkshire Ind.	1,429,253	1,498,511	42.3	26.1	31.6	2.2	14.2	3.5	1.6
Zurich	166,604	133,892	45.0	46.5	8.5	7.3	18.7	11.6	5.5
Totals 1946	\$ 6,600,868	\$ 7,235,761	62.1	40.9	3.0	11.0	17.2	7.0	3.0
Totals 1945	\$251,891,880	\$250,919,219	57.7	39.2	3.1	8.4	16.8	8.7	2.0
Totals 1944	\$243,396,634	\$241,168,067	60.8	36.3	2.9	8.1	16.2	8.0	2.0
Totals 1944	\$249,945,754	\$249,541,464	56.9	35.3	7.8	7.6	15.0	7.6	1.9

MUTUAL COMPANIES

	Net premiums written	Losses incurred to earned	Exp. (adj.)†	Net gain (adj.)†	Claim exp. to earned	Acq. & fd. adm. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
Am. Mut. Liab.	\$ 25,586,880	\$ 25,262,193	62.1	21.0	16.9	7.6	4.8	3.0	2.7
Atlantic Mut.	166,217	49,290	105.0	54.8	59.8	9.1	4.4	20.5	17.0
Bakers Mut.	947,905	923,301	50.9	20.9	28.2	7.1	6.0	4.9	1.0
Butchers Mut.	1,675,214	1,602,405	40.2	35.2	24.6	5.5	10.7	11.6	2.4
Coal Merch. Mut.	814,421	839,320	56.6	26.5	16.9	6.2	7.9	5.6	1.4
Consol. Texp.	135,575	122,287	44.1	57.9	2.0	26.2	11.1	14.9	2.8
Elec. Mut. Liab.	661,979	636,312	68.2	14.0	17.8	10.8	1.1	9.9	2.2
Empire Mut.	127,205	89,723	127.2	19.0	52.8	1.8	6.1	8.6	3.2
Empl. Mut. Liab.	25,403,659	25,847,120	59.4	26.1	18.7	6.6	7.3	2.7	2.1
Exch. Mut. Ind.	870,532	869,567	64.1	26.1	9.8	5.7	10.1	5.5	1.0
Farm Bureau, O.	638,015	540,114	67.7	40.8	8.5	6.7	15.8	13.7	1.4
Hardw. Mut. Cas.	7,628,852	7,342,523	51.4	30.2	18.4	8.4	9.9	5.9	3.5
Hudson-Moh. Mut.	581,376	586,161	84.5	34.5	19.0	9.8	5.6	9.3	3.0
Ideal Mutual	1,037,674	980,322	64.0	12.4	23.6	5.9	...	1.9	9.9
Interboro Mut.	2,195,247	2,179,565	58.4	22.4	19.2	9.9	2.3	5.9	1.9
Jamestown Mut.	1,284,787	1,346,645	64.7	33.4	1.9	12.6	7.0	6.2	2.8
Lumb. Mut. N. Y.	47,224,102	49,418,303	62.5	20.9	16.6	6.7	4.8	3.3	2.7
Lumb. Mut. N. Y.	2,554,914	2,565,035	57.1	27.5	15.4	7.4	7.0	6.8	2.2
Lumb. Mut. Ill.	13,031,972	12,791,442	59.4	26.7	13.9	7.9	8.1	6.7	2.4
Merch. Mut. Cas.	2,892,579	2,838,314	47.6	30.3	22.1	6.1	9.3	10.4	1.5
Natl. Grange Mut.	18,121	7,576	53.2	47.5	7.4	4.4	15.4	23.6	3.6
N. Y. Pr. & Bkdrs.	748,791	709,664	57.4	19.4	23.2	9.2	1.5	4.1	1.1
Penna. Thresh.	2,978,559	2,881,815	49.1	27.2	23.7	4.2	14.3	5.9	2.0
Public Service Mut.	1,180,404	1,241,086	49.3	38.4	12.3	9.4	14.0	6.9	1.5
Sec. Mut. Cas.	2,097,720	2,048,109	65.5	16.6	17.9	8.7	2.5	3.5	3.1
Sec. Texp. Mut.	123,101	113,622	56.9	48.7	5.6	19.1	5.2	18.4	3.2
Utica Mutual	5,832,392	5,703,378	66.7	24.5	8.8	7.1	3.6	6.9	2.4
Utilities Mut.	1,050,197	1,044,112	70.9	27.4	1.7	10.6	...	7.8	4.0
Totals 1946	\$149,508,566	\$150,605,318	60.3	23.2	16.5	7.2	6.2	4.3	2.6
Totals 1945	\$149,014,049	\$145,206,233	57.9	23.4	18.7	7.1	5.6	5.1	2.7
Totals 1944	\$152,003,102	\$151,642,082	58.3	21.9	19.8	7.1	4.8	5.1	2.7

REINSURANCE COMPANIES

REINSURANCE COMPANIES										
Am. Reins.	\$ 890,956	\$ 938,887	31.3	17.4	51.3	...	7.7	7.4	.3	2.0
Empl. Reins.	990,993	1,041,255	42.1	36.5	21.4	2.3	28.9	3.5	.4	.8
European Gen.	454,506	407,767	57.6	45.1	2.7	2.6	40.6	1.6	.1	.2
Excess	151,312	149,540	91.3	21.6	12.9	4.5	4.6	9.8	.1	2.6
General Reins.	1,492,115	1,378,550	144.8	21.8	66.6	4.1	10.7	3.6	.8	2.6
No. Am. C. & S. Re.	333	549
Totals 1946	\$ 3,979,549	\$ 3,916,548	79.4	27.3	6.7	2.7	17.9	4.5	.5	1.7
Totals 1945	\$ 5,173,598	\$ 5,198,028	52.4	23.1	24.5	2.0	14.6	4.3	.3	1.9
Totals 1944	\$ 6,713,575	\$ 6,498,129	73.8	23.1	3.1	1.2	15.7	4.3	.1	1.7

INSURANCE NEWS BY SECTIONS

MIDDLE WEST

Casualty and A. & H. Bills Are Up to Wis. Governor

MADISON, WIS.—The legislature has passed and sent to Gov. Rennebohm for final approval two bills that are part of the broad program to bring the entire insurance industry under state regulation. Bill 266-A, the casualty rating bill, would set up a system of regulation and uniform rates for casualty, fidelity, surety and all forms of automobile insurance. Bill 262-A, the accident and health rating bill, would extend the insurance department's authority to regulate health and accident coverages. It provides power to the commissioner to disapprove policy forms that are considered "deceptive" or if the benefits are "unreasonable" in comparison to the rates charged.

The fire rating bill, 69-S, also has passed both houses. These measures are part of the department and industry program to head off federal regulation by adjusting insurance statutes before the end of the year and retain state insurance control.

To Tax Non-Profit Firms

Gov. Herbert of Ohio has signed a bill which levies the same taxes on non-profit corporations as on corporations for profit. Insurance interests were interested in the measure because a national cooperative operates several insurance companies. There was no opposition to the bill in the legislature.

Heavy Iowa Hail Damage

DES MOINES — Damage from hail storms in three Iowa counties was placed at more than \$1 million with damage in Webster county alone exceeding \$750,000. Other counties hit were western Humboldt and Calhoun. About 27 square miles of corn land, representing 17,280 acres, were wiped out. Hardest hit was a three-mile strip running northwest from highway 5 near Barnum to the Humboldt county line.

Ind. Adjusters Group to Meet

The North Central (Indiana) Adjusters Assn. will hold its annual meeting June 28-29 at the Fowler hotel, Lafayette.

Registration will start the afternoon of June 27. Commissioner Pearson of Indiana will speak at the first session. Others on the program are Philip McNaghy of Barrett, Barrett & McNaghy, law firm of Ft. Wayne, and Lester Bergeron, state agent St. Paul F. & M. There will be a material damage movie, and a golf tournament the last day. All adjusters in the state have been invited.

COAST

Seven Fire Companies Win Inherent Explosion Case

SEATTLE—An interesting lawsuit was won by seven defendant fire companies when a jury in King County superior court returned a verdict in their favor in a suit brought by Wilfred G. Easterbrook d.b.a. Tyee Lumber Co. The lumber company's fire policies contained an exclusion of "boilers, foundations setting and grates." Jan. 8, 1945, an inherent explosion occurred in a dutch oven attached to an automatic stoker. The plant burned hog fuel and required the extended furnace or dutch oven to burn the fuel efficiently. In the explosion the dutch oven was demolished. In addition there was some dam-

age to the plant for which the companies paid \$4,467.

The plaintiff contended that the dutch oven was covered under the policy. The case was tried on a question of fact which the jury decided in favor of the companies. Clark & Clark, Seattle attorneys, represented Home, New Zealand, Glen Falls, Phoenix of Hartford, Mercantile and London Assurance; Altemannia was represented by Patterson & Patterson.

W. C. Daniels Joins Denver General Agency

Leo J. Royer, vice-president of the O'Rourke & Royer general agency of Denver, has resigned, and there have been several changes in personnel.

Sam N. Berry, production engineer, becomes vice-president and manager of the casualty and bond department. W. C. Daniels, special agent for America Fore group in Colorado, has joined the firm as secretary and manager of the fire and inland marine departments.

E. W. Schofer has been appointed chief casualty underwriter and personnel manager.

Mack Forum President

Frank Mack, chief underwriter Charles E. Currey office, was elected president of the Fire Underwriters Forum of San Francisco at the annual meeting. Other officers elected are David Jones, Richards & Co., treasurer; Russell Channing, Crum & Forster, secretary; Al Sassus, Eby & Co., assistant secretary; Nat Cornell, Associated F. & M., director. Mr. Mack succeeds G. L. Moir, St. Paul F. & M. A cocktail hour and the annual dinner with an entertainment program produced by Sig Arndt, Finn, Smith & Elbow, followed.

Rowley Heads Brokers

R. L. Rowley of Johnson & Higgins of California, was elected president of the Society of Insurance Brokers at the annual meeting. Lloyd L. Thomas, Kelly & Thomas was elected first vice-president and Bowie Detrick, Detrick & Ruppel, second vice-president.

Cal. Rating Law Signed

Governor Warren has signed the measure which was agreed upon by all factions in the long drawn out discussions over a safe and adequate state rating law. The new law becomes known as the McBride-Grunsky insurance regulatory act of 1947 and is presumed to meet all of the problems created by P.L. 15.

The legislature was set to adjourn June 20 but continued in session Saturday to clean up other bills, some of which also affect insurance. The governor is expected to sign a new and stronger financial responsibility law.

The health bill sponsored by the California Medical Assn., as the answer to the tabled prepaid health scheme sponsored by the governor, has been tabled and it appears any new health insurance plans will not be effected by law in California before 1949—if ever. The doctors bill aroused considerable opposition from the insurance department and late amendments to offset this did not eliminate that and other opposition.

EAST

Pa. Governor Signs Five Insurance Measures

HARRISBURG — Gov. Duff has signed five legislative acts relating to insurance. One authorizes domestic insurance societies to invest in securities

of the federal government and loan associations and other institutions to the extent that such investment is guaranteed by the U. S. government. Another authorizes beneficial and protective societies to incorporate or reincorporate as limited life companies.

A bill permits certain additional stock companies to come within provisions of the state insurance laws of 1921. Another act changes the penalty for insurance companies failing to make financial reports to the state on schedule by eliminating the flat \$100-per-day fine for each day of delay, and substituting a maximum fine of \$100 for each day. The fifth bill establishes a \$100 fee for re-listing of an examination for an agent who fails to appear for or pass a previously listed examination.

Toensmeier Opens Office

C. M. Toensmeier has resigned as chief adjuster of auto claims at New York for Liberty Mutual. He is opening an independent adjuster's office at Lancaster, Pa. At one time Mr. Toensmeier was claims training director for Liberty Mutual at the home office. He has been in the New York office for the past five years. Mr. Toensmeier will give his attention exclusively to casualty and inland marine adjustment work for all classes of carriers. His address in Lancaster is 48 North Queens street. He will operate his office under the name of Toensmeier Adjustment Service.

SOUTH

Virginia Agents Ready to Gather at Roanoke

ROANOKE, VA. — Approximately 500 agents and company representatives are expected to attend the annual convention of the Virginia Assn. of Insurance Agents here June 26-28. The theme is "Progress through Education," with five speakers, including Guy T. Warfield, Jr., Baltimore, president N.A.I.A.; Lewis F. Gordon, Atlanta, vice-president Citizens & Southern National Bank; T. Nelson Parker, Richmond, association counsel; Richard E. Farrer, New York city, director educational division N.A.I.A. and P. J. Leen, Chicago, Fireman's Fund assistant manager.

W. H. Branch, Richmond, will preside at a breakfast conference on "Agency Management and Production Costs" June 27.

Past presidents will have a pre-convention dinner meeting June 26, with John T. Minter, Norfolk, presiding. Directors will meet following the dinner.

A golf tournament will be held June 26 at Roanoke Country Club, with a match between teams of agents and company men. Walter G. Stephenson, Roanoke, is golf chairman.

Women attending will be guests at a bridge tea Friday afternoon, and, later the Roanoke Assn. of Insurance Agents will be host at a party for all delegates. The banquet is scheduled for Friday night, with a dance. Presentation of awards will be made at the banquet and incoming officers and directors will be installed.

Elect at Clarksville, Tenn.

The Insurance Exchange of Clarksville, Tenn., elected Lane Marable, Caldwell, Conroy & Marable, to succeed L. N. Byers as president. Other officers elected were: Arch Northington, vice-president; C. N. Murphy, secretary (reelected), and Roney Bardwell, treasurer. L. N. Byers and James Holloman were elected directors. G. L. Goss, secretary-manager Tennessee Assn. of

Insurance Agents, spoke briefly on work of his group.

Augusta Board Elects

AUGUSTA, GA. — At the annual meeting of the Augusta Board, John R. Hall, Jr., was elected president to succeed H. Burts Taylor. James P. Walker was made vice-president and Miss Georgia Mangrem reelected secretary-treasurer. There are now 45 agencies that are members of the board.

Agent Cited in Virginia

RICHMOND, VA.—The Virginia corporation commission has ordered Ernest W. Hardy, Danville, Va., agent, to appear July 9 to answer charges that he is delinquent in his account with Carolina Casualty, and to show cause why his license should not be revoked or suspended. The proceeding was filed by Commissioner Bowles.

Hunt Leaves Board Post

C. O. Hunt has resigned as secretary to the Oklahoma insurance board. No appointment of a successor has been announced, but the name of Joe Hunt has been mentioned. For six years he was rate expert for the board, resigning recently.

Cousins Before Trade Men

High tribute to the active and helpful interest of Texas trade association executives in all insurance legislation was paid by R. B. Cousins, Jr., manager Texas Insurance Checking Office, at the annual convention of the Texas Trade Assn. Executives in Austin. He thanked them for their special committee which helped analyze all insurance legislation in the last legislature.

Texas Agents Committees

Melvin J. Miller, Fort Worth, president Texas Assn. of Insurance Agents, has appointed standing committees, including a new fire prevention committee added through official action of the recent Galveston annual convention. Chairmen are: Aviation, Alphonso Ragland, Jr., Dallas; casualty, Hollis Danvers, Houston; fidelity and surety, Travis D. Bailey, San Antonio; fire prevention, Julius Levi, Houston; marine, John H. Chiles, Austin; rates and forms, Russell R. Trimble, San Angelo.

Charles J. Behlow, who has been with the Bethlehem Steel Co. shipbuilding division for six years, has returned to the insurance business associated with the brokerage firm of Abbott, Davis Co., San Francisco.

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Crosser Bill Fight at Final Stage

(CONTINUED FROM PAGE 17)

support of the bill to repeal Crosser act benefits. Others attending the hearing included Lawrence Baker, counsel, N.A. L.U.; A. L. Kirkpatrick and H. E. Hilton, U. S. Chamber of Commerce insur-

ance department.

A feature of the hearing was the questioning by Senator Ellender, Louisiana, of witnesses, as to whether they or their organization had done anything about

the Crosser act while it was pending before Congress. Mr. Schmuck admitted: "I am afraid our association was caught napping early in 1946," when the Crosser bill was pending.

Mr. Hogg said his group made no opposition before congressional committees during the consideration of that bill. "We took violent exception to the non-occupational benefit provision," he said, "but the House committee reported the bill without that provision, which was put in on the floor." Senate hearings were very brief last year.

Asleep at the Switch

These statements were along the lines of comment a year ago among insurance observers here that the insurance industry has been "asleep at the switch" while the Crosser bill was in process of being "put over" in Congress, until almost the last days of the fight, when it was too late to organize opposition.

Mr. Brown brought out there are 500,000 former railroad employees who would be eligible for Crosser law benefits. Besides making a statement similar to that before the House committee, Mr. Brown gave examples of rates paid by railroad employees under various plans of coverage providing for sickness, accident and death benefits.

Mr. Dorsett made a statement similar to his before the House committee. Mr. Schmuck dwelt upon the need for integrating the various social security or social insurance systems, their benefits, etc., the disparity in which the Crosser act increases. He predicted the Crosser act will lead to further demands upon Congress for increased benefits, the cost of which will fall back upon the public. The life industry and agents feel very strongly against the discrimination set up by the Crosser act. "We favor equality of benefits for all citizens," he said.

Question of Compensation

Senator Bull asked Mr. Souby whether the railroads are required to carry workmen's compensation for their employees. The witness replied that the federal employers' liability law applies to railroad workers in interstate commerce and that other railroad employees come in under state compensation laws.

Mr. Hogg denounced the Crosser act as an enervating wedge for the government invading the field of private enterprise. He declared it is "usurpation" of private accident, health and sickness insurance; that non-occupational benefits are a social security problem.

Mr. Jacobi predicted the Crosser act will contribute to dissipation of reserve funds. In the event of a national railway strike, he said, its effect would be to "subsidize" such a calamity. This witness told of abuses developing in the Rhode Island cash sickness indemnity system, the multiplicity of claims requiring a check-up which disclosed hundreds of fake claims for sickness benefits arising among the employees of a 15,000-worker concern going on strike. He said it would be impossible to make an adequate check on thousands of claims under the Crosser law arising all over the country.

Ladies Call the Turn

In Rhode Island, the witness said, many women obtained employment in anticipation of pregnancy, solely to obtain disability benefits. Maternity benefits there were 20% of benefits paid. After 21,000 claimants were physically examined, Rhode Island sickness benefits were discontinued to 44% of them. Instead of increasing railroad employee benefits, he suggested, taxes should be reduced. Crosser-like legislation "constitutes an irresistible temptation to absenteeism under the guise of bona fide illness or disability." The difficulties experienced in Rhode Island administration among 250,000 workers in a small area would be much greater with five times as many railroad employees all over the country.

Mr. Kuechenmeister urged repeal of cash sickness and disability benefits under the Crosser bill.

The House committee hearings were divided a day and a half to each side.

The great interest on the part of the committee in the bill was indicated by the presence of Chairman Wolverton of the full committee serving with the subcommittee headed by Rep. Howell, Illinois, in charge of the legislation.

Thomas Stack, president Railroad Employees Pension Protective Assn. Committee, Chicago, took only a few minutes in support of HR 3150, to tell the committee that 400,000 names were on file with Speaker of the House Martin in support of the proposal. He declared railroad employees are accustomed to buy their own insurance and realized they "cannot get anything for nothing."

R. J. Wetterlund, Washington National, and O. J. Breidenbaugh, executive secretary Mutual Assn. of A. & H. Underwriters, did not appear at the hearing, although listed.

First witness in opposition to the bill was Lester P. Schoene, representing Railroad Labor Executives Assn.

Exploiting Misfortunes

"Lawyers, doctors, insurance companies, etc., make a living exploiting the misfortunes of others," he asserted. "It ill behooves us to oppose alleviation of misfortunes simply to protect our traffic in the misfortune of others. It would be shocking for insurance companies to oppose the development of safety measures for fear it might cut down on the accident insurance business."

"Mr. Brown also cited the figures on railroad workers insured are ridiculous on their face. In compiling these figures he did not know and had no way of knowing where each certificate holder was employed in 1946 and could not arrive at a reliable figure. Perhaps the figure on the number of certificates then in force did represent persons who at the time the insurance was written were employed by railroads, but this does not necessarily mean that they are still in the employ of the railroads."

Mr. Brown also cited the figures on number of railroad employees at end of 1946 as 1,300,000. The railroad retirement board's figures show that during 1946 there were 2,600,000 employees—just double Mr. Brown's figure. Also his figures do not take into account possible duplications where individuals who are members of relief associations are also insured with health and accident companies.

"According to a social security board study, one-third of the health and accident insurance, including group, was written by mutual insurance companies. It was also shown that the largest single item was group insurance. If group insurance is excluded from the total it would be a fair inference that a very large proportion of what remains is written by mutual companies."

"Operations of mutual companies, according to Statistical Abstract of U.S., p. 443, show: Mutual health and accident certificates issued in 1944 3,509,000, labor, force, average 52,600,000."

"Certificates in force by mutuals was about 6% of the labor force. That does not take into account certificates written by other than mutuals and does not take into account how many of the 3 million represented persons not in the labor force. One probably offsets the other. It is, therefore, probable that 6 to 8% of number of railroad workers insured is more likely than the 85% quoted by Mr. Brown."

"Railroad unemployment insurance act provisions will probably stimulate increased private insurance among railroad workers. (Citing what happened during world war I after establishment of government insurance for service men.) I predict the insurance companies asking you to repeal those provisions will lose the greatest stimulus to their business they have ever had."

Hudler Heads Steering Group

Indiana Fire has elected Ralph O. Hudler, Aetna Fire, chairman of the executive committee.

Don Burns has become a partner of L. C. Henry in the local agency at Helena, Mont., that now will be known as Henry & Burns.

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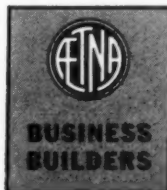
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The library where Jay read, wrote and died

This sentiment, written to a friend by John Jay upon his return from nine months abroad, is indicative of the love and devotion this great statesman held for his country and home. His life had been dedicated to loyal service as a member of the Continental Congresses, special envoy to Great Britain, Minister to Spain and Governor of New York. His greatest moment had come in 1789 — his appointment by George Washington as the first Chief Justice of the Supreme Court of the United States.

When, in 1800, President John Adams nominated Jay as Chief Justice for a second time, the appointment was declined. The jurist was determined to withdraw permanently from the public life he had faithfully served for twenty-seven years.

That John Jay should retire to Bedford House, his country estate of 85,000 acres at Katonah, New York, was the natural ful-

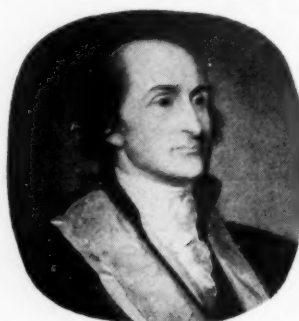


"It always gives me pleasure to see trees which I have reared and planted"

fillment of a long-cherished dream. Affairs of state put aside, he could devote his time in full to rural neighborhood interests, his family and the development of his farm.

An early riser, he cut a hole in the solid shutter so that the sun's first rays might awaken him. Weather permitting, he would ride by horseback about the grounds, supervising the labors of his farm hands.

John Jay was especially fond of his house, a handsome structure of wood which he built in 1800. It is situated on rising ground backed with lush woods and a beautiful lawn at the south front which commands a pleasant view of Long Island Sound. The original house stands today with only the addition of several rooms, and its present owner takes pride in keeping up its appearance as her great-great grandfather, John Jay himself, would have had her do.



Our first Chief Justice

He died in 1829 in the library of Bedford House where so many hours had been spent in reading and correspondence. As a statesman no less than as a private citizen, John Jay was governed by the highest moral principles and unswerving devotion to duty. Public office to him was a public trust. Upon his death a contemporary jurist said, "Few men in any country, perhaps scarcely one in this, have filled a larger space, and few ever passed through life with such perfect purity, integrity and honour."

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